

NATION'S BUSINESS



Capital—page 11

September
1938

The New Competition as Price-Maker • O'Mahoney Wants Facts—Not
Scalps • Boy Wanted—Or Not? • Putting Business on the Highways



BRONZE

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Bronze is the store front metal of quiet dignity and subtle good taste

Progressive business men know the appeal of an attractive store front. They know that the "first impression" is all-important...that it's the prime influence in making sales to casual passers-by.

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The American Brass Company is the principal supplier of architectural bronze, copper and nickel silver for architectural decoration. We'll gladly send a free copy of our booklet, "Bronze—The Key to Better Retailing."

Illustration shows Longchamps Restaurant at 42nd Street and Lexington Ave., New York City. Louis Allen Abramson, Architect. Anaconda Architectural Bronze work done by American Bronze Company, Inc., Long Island City, N. Y.

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THE NEW TRAINS PAY

This month, flashing along the rails of America, Budd-built trains of stainless steel are completing 3,000,000 miles of safe, economical transportation. Meanwhile, they have proved several points. Among the most important is this: *They pay.*

They pay the traveling public . . . for these swift, smooth-riding trains provide greater comfort in roomier interiors that are perfectly air-conditioned and insulated, finely appointed and decorated.

They pay the railroads . . . for these light-weight trains attract more passengers and cost less to haul. They pay the country at large . . . for anything that benefits the railroads also

benefits agriculture and industry in all parts of the Union.

Because the railroads are a vital part of America's progress and prosperity . . . because they are striving heroically under trying conditions to serve the public well . . . the railroads need and deserve the intelligent support of the whole nation.

As the pioneer in truly light-weight rail equipment, the Budd Company has special reason for rejoicing at the remarkable success of the modern stainless-steel train. But, more impor-

tant, it is a contribution to the national welfare that these handsome streamliners . . . in addition to their many other advantages . . . enable the railroads of America to operate them *at a profit.*

Originator of ALL STEEL automobile bodies, Budd has pioneered modern methods in the design and fabrication of many steel products. The Budd developments in stainless steel include railway cars, marine and bridge structures, airplanes, tanks, bus, truck and trailer bodies and equipment for the chemical and rayon industries.*

*Reg. U. S. Pat. Off.

BUDD METHODS SAFELY ELIMINATE DEAD-WEIGHT
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It's going to be an Automobile...



Lubrication will see it through many manufacturing processes—all the way to the highway. Texaco stands ready at 2108 points to serve every step.

In heavy rolling mills . . . or in thousands of other industrial scenes...lubrication plays a vital role in determining final profits. That's why it is important to check lubrication needs *now* . . . ahead of increased production. Call in a Texaco Representative to help bring you economies in maintenance costs, in machine-life, and in power, as well as in stockkeeping.

THE TEXAS COMPANY in 48 States



Wilson, are you ready to
talk about that market
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Sorry, I can't. It hasn't
reached me yet.



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AMERICAN TRUCKING ASSOCIATIONS HONOR

"WORLD'S Safest TRUCK DRIVER" AND "NATION'S Best TRUCK DRIVER"



Hats off to ALLEN B. HILL, who has 1,400,000 miles of accident-free driving to his credit. Thirty years ago Allen Hill drove his first International Truck. Today he pilots a big International for the Crocker Transfer & Storage Co. of Corpus Christi, Tex. Though he has driven other trucks in between, while rolling up a mileage equal to 56 times around the earth, the major part of his magnificent career at the wheel has been achieved with Internationals.

The title, "World's Safest Truck Driver," awarded to Mr. Hill by the American Trucking Associations at last winter's convention, climaxed the 1937 safety-promotion work of the nation's trucking industry.



Doff the hats again to WILLIAM J. FREDERICK who topped the other experts in a demonstration of skill in putting a truck and trailer through a set of difficult maneuvers, winning the title, "Nation's Best Truck Driver."

In this competition Mr. Frederick and the winners of second, third, and fourth places drove International Trucks with 24-ft. semi-trailers at the convention. Frederick is an operator for the Kentucky Transport Corp. fleet, Louisville, Ky. He has been driving trucks for thirteen years without accident.



Driving your car is child's play compared with handling these big truck-and-trailer combinations. Illustration shows the International 3 to 4-ton Model D-50 with semi-trailer of special design.

Manpower is the heart of the coordinated network of highway transport. There is no finer group of men to be found than the army of drivers who pilot the nation's trucks.

These two — Allen Hill and Bill Frederick — find the spotlight on them suddenly, but during the years that built their records they have been just like hundreds of thousands of others — keen and capable men doing a man's job day by day and doing it well. All of them together are custodians of a safe-sane driving standard that would do wonders for the nation if it could only be lived up to by the public.

Hill and Frederick, like so many other star drivers, do their stuff with International Trucks. Although there are forty manufacturers in the field, *International Harvester* sells one out of every three heavy-duty trucks, 2-ton and up.

International Truck sizes range from ½-ton up to powerful 6-wheelers. Sold and serviced through International dealers and Company-owned branches throughout the land.

INTERNATIONAL HARVESTER COMPANY
180 North Michigan Ave. (INCORPORATED) Chicago, Illinois

INTERNATIONAL TRUCKS

QUESTIONS our readers are asking:

- 1 • WILL the "Monopoly investigation" be just another mud-slinging demonstration or will it accomplish something? ANSWER ON PAGE 15
- 2 • CAN business gouge its customers by charging prices that are too high? ON PAGE 17
- 3 • ARE prices "administered" and, if so, is that good or bad? ON PAGE 18
- 4 • HOW many people traveled our paved roads in 1937 and how much did they spend? ON PAGE 20
- 5 • ARE our young men and women actually facing unusual difficulties when they try to find jobs? ON PAGE 23
- 6 • IN TIMES like these, does education help or hinder the young fellow looking for work? ON PAGE 24
- 7 • CAN business plan and develop "the more abundant life"? ON PAGE 26
- 8 • ARE research laboratories still busy or have hard times stopped all that? ON PAGE 43
- 9 • DOES advertising pay? If so, Whom? ON PAGE 54
- 10 • WOULDN'T goods of real value be sold even without advertising? ON PAGE 59
- 11 • WHY doesn't somebody make an auto finish that will stay bright without polish? ON PAGE 87

What is Coming in October . . .
Turn to Page 71

Contents for September . . .

	PAGE
O'Mahoney Wants Facts—Not Scalps	15
By HERBERT COREY	
The New Competition as Price-Maker	17
By E. G. NOURSE	
Putting Big Business on the Highways	20
By CHARLES G. PERCIVAL	
Boy Wanted—or Not?	23
By E. S. COWDRICK	
A Business Version of the Fuller Life	26
By JOHN ANGUS HAIG	
Dry Weather Chased by Portable Rain Makers . .	30
Electrocuting Dust and Dirt	36
It Still Happens in America	38
By J. GILBERT HILL	
A Perpetually New Frontier	43
By HARRISON E. HOWE	
There is No Monopoly on New Ideas	50
Advertising—Master Builder	54
By CHARLES COOLIDGE PARLIN	
From Steel Slab to Tin Can	82
The Regular Features . . .	
<i>Through the Editor's Specs.</i>	7
<i>Sweet Land of Gimme.</i>By MERLE THORPE	13
<i>Washington and Your Business.</i>By HERBERT COREY	31
<i>No Business Can Escape Change.</i>	40
<i>Business Men Say.</i>	42
<i>The Map of the Nation's Business.</i>By FRANK GREENE	48
<i>Memo . . . for Busy Readers.</i>	62
<i>Leaders in the March of Business.</i>	63

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DIAPERS... Kendall Mills, makers of Curity Diapers, are one of the world's great textile houses. They have long trusted their figure work to Monroes.



WATCHES... Hamilton, the Watch of Railroad Accuracy, depends on Monroes, both adding-calculators and listing machines, to cut figuring costs.



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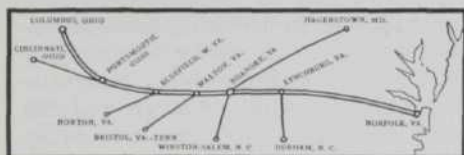
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1838 — A CENTURY OF SERVICE — 1938



Through the EDITOR'S SPECS

Balancing the intangibles

THIS THING of appealing from figures to intangibles has its hazards in logic. As when W. P. A. Administrator Hopkins complained to a Chautauqua audience that the deficit created by relief spending is just a "bookkeeping deficit," balanced by "social assets."

We seem to remember a "bookkeeping profit" of some \$2,000,000,000 about which Government officials bragged at the time the gold content of the dollar was devalued arbitrarily from 23 grains down to 13. If an impartial auditor were to O. K. this bookkeeping profit as the figures read, we can't see how he could permit any exception to be taken on an alleged "bookkeeping" deficit.

As for Mr. Hopkins' "social assets," the auditor's attention could be invited to an overcompensating category of "social liabilities" on the national balance sheet. An honest appraisal would rate them at staggering values. Here is a partial list created in the last six years:

Reliance on Government for that which the individual has always obtained for himself.

Disappearance of local responsibility. Political pork in the guise of relief, on a scale hitherto unknown.

Freezing of individual initiative.

Incitement of class hatred.

False standards held up to the nation's youth.

On the whole, Mr. Hopkins' case looks less damaging when the figures are taken at their face value than when he attempts to extenuate by writing in the intangibles. Which is another way of saying that the situation is worse even than the books show it to be.

Without benefit of soil

"SPLENDID tomatoes these—where did you get them?" we asked not long ago while assisting the family's purchasing agent in her marketing.

"They grew in a tank of water without any soil," the grocer told us. "And you see by the scale that these two weigh three pounds."

We expressed mild skepticism. "Would you like to see for yourself?" the market man asked. Assured that it wouldn't take long, we went with

him down the Rockville Pike to the farm of T. H. Roth to see this modern miracle of agronomy.

Mr. Roth showed us in his greenhouse a long row of concrete tanks almost filled with clean gravel and water, and with giant tomato vines growing in them. The yield for his first season, he explained, ran three pounds to the square foot of tank space, or ten pounds to the plant—slightly higher than the production of greenhouse plants growing in soil. He went on:

But better yield is not the advantage for water culture that I see. It's in the reduced labor. No constant weeding, fertilizing, watering. You see, I make up completely soluble solutions of fertilizer and feed them into the tanks. A solution doesn't have to be changed but twice in a whole season. The sand and the water can be sterilized so that I have a dependable control over fungi and other plant diseases. The required temperature is lower than for soil. The tomatoes are firmer, and I can raise them nearly any size the buyers want. . . . Yes, two pounds or even more if anybody wants them that large.

A number of commercial flowers grow in water as well or better than vegetables, we learned.

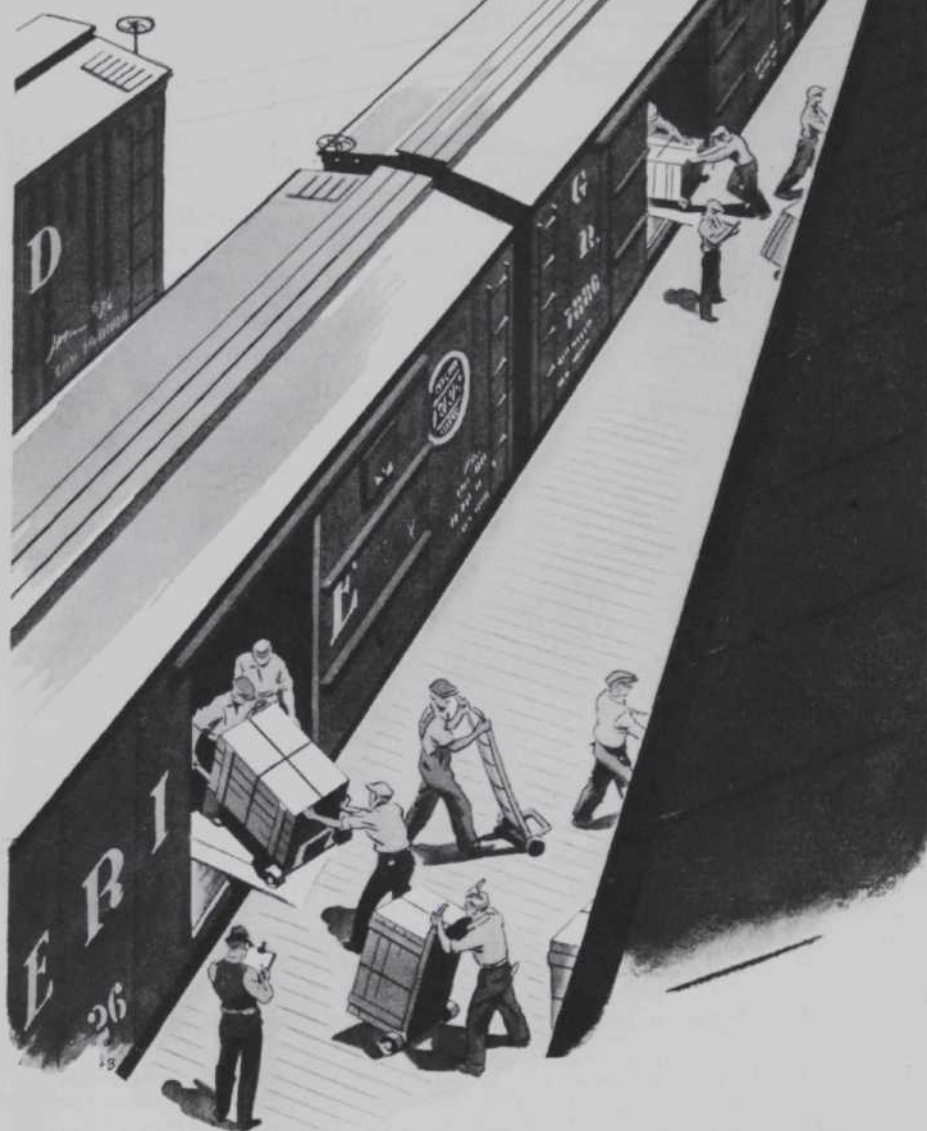
What a contrast to the old-time farmer planting in the dark of the moon and using a pitchfork to spread nutriment for his crops! Mr. Roth has a diet formula for each plant as precise as a doctor prescribes for a diabetes patient. He literally feeds his crop from pipettes.

Low birth-rate of dollars

TELL the average man that the article for which he pays a dollar in a store has cost only 20 cents to produce and at once he sees a vision of quick returns and easy money in manufacturing or retailing or both. If he never has ventured his own dollars in a business enterprise the truth would shock him. Because it is often a long time before these dollars come home to roost, if ever. Witness a case related in the annual report of the du Pont Company for 1937.

When the company went into the making of dyestuffs more than \$22,000,000 was invested over a period of six years before a dollar of annual net profit was earned. Another \$21,000,000 had been put into dyes through

The Main Engine Stopped ... but Not Deliveries



a further span of 12 years before enough profits had been earned to offset the accumulated previous losses. Into the manufacture of synthetic ammonia and related chemicals was poured an investment of \$27,000,000 by gradual additions for ten years before cumulative results finally registered the first dollar of profit.

A contrast in ethics

NEARLY everybody who knows his way around in the modern world is aware that most business transactions are exchanges in which one party gives something of value and receives the other's promise to convey value later. But few realize how well these promises are performed.

In a new book—which we recommend that you read forthwith—Harry Scherman has tried to check the batting averages of individuals and corporations in meeting "The Promises Men Live By." He finds that on the whole their performance is remarkably good, even in depression times. The loss on open account bad debts by department stores is only six tenths of one per cent. Installment account losses are only 1.5 per cent. And with all the bank failures this country has seen, he finds the record of fulfillment by banks to be 99.98 per cent perfect.

But what a different story when debts by government are examined! It has been estimated that \$186,000,000,000 was borrowed by belligerent nations in the course of the World War. Only a small portion of it is still outstanding. Not because it has been paid, but because it has been cancelled. The United States holds the bag for \$12,500,000,000 of such repudiated obligations, and who knows how the \$18,000,000,000 or so of "pump priming" domestic debt piled up by the federal Government in the past few years is ever to be retired.

"The cold fact is that men acting together in a community, large or small, are just as dishonest, just as unscrupulous in breaking their promises, as they dare to be at any one time," writes Scherman. "Governments always, small or large, will get away with what they can, up to the point where the supremacy of the ruling power is endangered."

Spending-taxing ingenuity

TWO HEADLINES are spread across the same front page, side by side. Both originate from one fount, but never the twain shall meet.

Surgeon General Parran of the U. S. Public Health Service says his dream-program for universal health—priced at \$8,500,000,000—means a new era for benighted America.

SATURDAY NIGHT . . . a vital order to be filled . . . and the main engine of a large paper mill suddenly gone dead!

1800 people faced loss of work . . . four or five thousand dollars a day were at stake.

The plant superintendent had failed repeatedly to reach the engine manufacturer. Frantic, he called the chief engineer, who said, "Our best bet is to get in touch with Hartford Steam Boiler." And by Monday that engine was "back on the line" . . . running smoothly. The loading dock hummed with activity. Goods moved out *without interruption*.

When emergencies arise, the worth of Hartford's help is *doubly* apparent to the policyholder. Only Hartford men and management can bring to your power-plant a skill accumulated from 72 years' experience in dealing with the varied causes of power-plant accidents. The company is devoted solely to boiler and machinery protection. Its value to American industry is evidenced by the fact that industry entrusts to it about half of all power-plant insurance written in this country.

Let your local agent or broker tell you more about the helping hand of Hartford Steam Boiler.

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OLDEST IN THE COUNTRY, LARGEST IN THE WORLD. ENGINEERING INSURANCE EXCLUSIVELY



In the column alongside we read that Government experts seek new sources of revenue to tax.

One branch of the Washington leviathan hatches a grand new scheme for spending money it doesn't have, while another branch studies in bewilderment how to pay for what the spenders already have ordered. The Bourbon kings of France had the same problem of revenue raising. They tried to solve it by farming out the collection of taxes to private individuals. These farmer-generals, as they were called, developed a devilish ingenuity in bleeding the people for more and more revenue. They finally drove the taxpayers to desperation. Nevertheless, the efficiency of their system might suggest itself to the Treasury experts.

"Follow my leader"

WHEN cap manufacturers put their heads together recently they heard that cap sales in the United States had fallen from \$41,000,000 to \$12,000,000 since 1937. Those who reason why say this debacle is traceable largely to an old Hollywood custom of labelling gangsters, Bowery bums and other disreputable characters of screendom with caps. As the first step toward a comeback, the cap makers will try to persuade film producers to have a heart.

This isn't the first time, of course, that the stars of make-believe have been revealed as economic arbiters. Clark Gable bares his manly torso to the camera and at once millions of young hero-worshippers—potential black or brown shirt battalions—refuse to wear undershirts, no matter how much their mothers may urge. Depression strikes the undershirt industry, stocks accumulate dust on store shelves, orders are cancelled, factories go on half time. La Colbert wears some new fandangle in a picture and stores from Portland to Portland are swamped with requests for the same thing.

If one had to choose the adjective most descriptive of the American character it would rest unquestionably between "imitative" and "gregarious."

The labor front

MURAL UNION LABELS: A number of famous mural painters given commissions to execute for the New York World's Fair have been notified by the United Scenic Artists, an A. F. of L. union, that they cannot paint on the fair grounds until they have taken out union cards. It is understood that the building trades unions will back the ultimatum. How many artistic advantages Leonardo, Michelangelo, Ra-

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BELL TELEPHONE SYSTEM



phael and company lacked in their crude day!

OPEN SHOP HERESY: Admiral Land, head of the U. S. Maritime Commission, has informed the National Maritime Union (CIO) that masters of Government-owned ships in the merchant marine may hire their own seamen without regard to union membership. The NLRB compels privately owned vessels, with which the Commission's ships are in competition, to take only men sent them by the union hiring halls.

FINANCIAL GENIUS: "Tootsie" Herbert and his brother were for many years czars of the New York Poultry Workers Union. Before "Tootsie" was banished to Sing Sing and his brother retired to obscurity by Prosecutor Dewey they conceived the brilliant idea, says Harold Seidman in "Labor Czars," of having employers pay all wages of their workers directly to the union. The plan never was adopted but other admiring union business agents still say the boys had something there.

CONTROLLED SPEECH: The National Labor Relations Board has prohibited the circulation among employees of a Maryland shoe factory of Congressman Hoffman's speech in the House of Representatives. Rep. Hoffman dissected the CIO too frankly to suit the Board, so it issued this order to "protect" the employees.

TAKING LIBERTIES: A New York press clipping bureau with 125 employees moved its offices to West New York, N. J., without permission of the NLRB, and was compelled to return to its old quarters on the ground that the removal was an "unfair" labor act.

Capital

PERHAPS the title we have given Photographer Nesmith's picture which decorates our cover is unfair to the gentleman operating the machine. However, no slight is intended. Indeed, anyone who can control the monster which this man regards with such familiarity has our heartiest respect. And yet, if this workman is wise, he will join us in giving credit to the mechanism that stands before him. Because of it, he and other American workmen enjoy a standard of living unknown elsewhere in the world. As a wise workman, he knows that he cannot do his finest work without good tools.

If he were working for himself, he would save money, even at a sacrifice, to buy good tools and, having bought them, would take care to protect

them from loss, or theft, or damage.

By the system built up in this country, the workman's tools are frequently giants which crush, or bend or mould raw steel as easily and quickly as a cook shapes dough with her fingers. Yet, these giants, like the pliers in the mechanic's overall pocket, still represent somebody's savings. Somebody consumed less than his labor produced, so that the American workman might produce more in the future. The person who bought the machine has contributed his savings so that the workman may do a better and easier job. Yet people tell the workman that this fellow, whom they call "Capital," is his enemy.

How to experiment

WE HAVE been reading "Some Talks on Sugar," a little booklet on sugar production in the Everglades of Florida, by Clarence R. Bitting. A dry subject? Not at all. We find that, for seven years, the United States Sugar Corporation experimented with 120,000 varieties and crosses of sugar cane to discover or develop those suited to that locality. Fewer than 100 were deemed worthy of any further study and of these only ten varieties have demonstrated their right to commercial planting.

Now if economic and social experimenters were only that cautious, if they would reject as high a percentage of unworkable nostrums as the sugar growers do of unsatisfactory varieties, how much more security would be added to living!

Sheer stuff

FASHION note from the *Bulletin* of the National Retail Dry Goods Association: A popular new stocking for the Fall season is the "Mystery." "The sheer transparency and service of this stocking for some unknown reason molds the legs in high lights and shadows and makes them appear more slender."

If our strictly non-professional eye has not seen amiss there also would seem to be a need for a stocking that would create another sort of optical illusion. Are no designers thinking of how to give the skinny shank a fuller symmetry?

Girls who know their Florentine art and the checkered history of the Medici family will be asking for the new Della Robbia shades in hosiery—Lorenzo Brown and Cosmo Grey. More plebeian are the Yam, Possum and Dusky shades. A tone for any taste. Since a woman has, with present styling, some 14 inches more hosiery to display than a man, we captious males may excuse a degree of female finickiness in its selection.

MERCHANT CALCULATOR



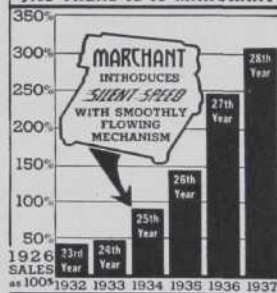
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Nobody has yet been able to make a blowout-proof tire! But LifeGuards make any blowout danger proof!

When you buy a new car, install LifeGuards in place of conventional tubes at once. If your tires are already well along in mileage, it's even more important to get LifeGuards. They make any tire *completely safe* from high-speed tire failure . . . as long as you drive it.

Motorists find they can get at least 25% additional safe tire use with LifeGuards. Thus LifeGuards save money . . . as well as save lives.

New low prices make LifeGuard's tire protection very economical . . . the cheapest life insurance you can buy. See your Goodyear dealer today . . . learn how little it will cost you to get LifeGuards. Banish forever the haunting fear of high-speed tire failure!

★ ★ ★

*LIFEGUARD is a trade mark of The Goodyear Tire & Rubber Company, and is fully protected by patents. Goodyear LifeGuard tires are made for passenger cars, trucks, buses and motorcycles.



CASING BLOWS!



TUBE BLOWS!



SAFE!

GOODYEAR LIFEGUARD is a 2-ply reserve tire inside the tube . . . both inflated through the same valve. If casing and tube fail, the inner tire holds enough

air to support the car until it can be brought to a safe stop. A LifeGuard-equipped car may be readily identified by the yellow and blue valve stems.



FOR SAFETY'S SAKE . . . EQUIP WITH GOODYEAR LIFEGUARDS!



Sweet Land of Gimme

IT'S CRYSTAL clear that "emergency" has become the accepted way of life of the American people.

The spirit of these spending times is currently revealed in the columns of your morning newspaper. Here is suggested a public health program nonchalantly priced at \$8,500,000,000. Here, pressure for a moratorium upon H.O.L.C. mortgages. Here, millions for clothing and grapefruit juice and opera for the unemployed. One hundred fifty million for rural electricity. Relief costs at record-breaking levels, while each day's low descending sun sees some new shiny-eyed proposal whereby "Government" is to distribute "culture" to one and all in the grand manner of Rome's bread and circuses.

Time was when the American who wanted the good things of life looked mainly to his own resources of character and ability for the getting. Now he turns to Washington. That earlier confidence in one's own powers gave assurance that the nation would move ahead. Today, the contagious resignation to a life ordered and sustained by political dispensation has changed opportunity to opportunism. We elect security rather than success; we glorify political charity as a newly discovered virtue and, in the name of the more abundant life, we mock the frugal and plunder the thrifty.

"Pay nothing down," is the national slogan. "It's yours for the asking," our campaign cry. As individuals we no longer place our faith "In God We Trust" and keep our powder dry; our coin of the realm today bears the strange inscription, "In W.P.A. We Trust," while a thousand underprivileged communities in this one-time land of the free and home of the brave, unashamed, canonize the P.W.A.

Each year brings a new low in the disintegration of the national character. Defeatism reigns. The youthful vigor of America, once its noted asset, today boasts of its economic casualties and invalidism. No matter in what direction you look at our national life you may be sure some "com-

mission" has made a "study" and found "conditions shocking." We have switched the famed American genius of selling to the job of telling the world and his wife about our bumper crop of disappointments and frustrations. The land of bountiful opportunity has come overnight to be a no-man's land of despair.

If I don't succeed, I shall blame you. What you have is as much mine as yours. In that philosophy all gains are ill-gotten, and fortune won by labor while others played is as contraband as the cargo of the smuggler. Possession is no longer nine points of the law. Property is the shameful sign of success in a time when failure is made to seem the nobler cause. Well-being is wicked, prudence is decadent, sacrifice is silly, careers must be subsidized, sweat is un-American. Under the banner of "soak the rich" our political Robin Hoods make ironic holiday with the meager savings of the people.

The formula for this benefaction is as simple as X, Y, Z. Z persuades Y that he is ill-used by the world, is denied the good things through no fault of his own. The remedy? If Y will elect Z to a political job he will satisfy Y's desires. How will he do it? Vicariously, of course; he will force a third group, represented by hard-working X to work harder not only for the benefit of Y but also that Z may be supported in a regal style to which he has not been accustomed.

It is all as old as politics. It works as long as X is complaisant or ignorant. Or until the store of the ants is ravaged by the grasshoppers. Because X provides the sinews of all political gifts—unhonored, unsung, x-ploited. All too real is the danger that when he becomes expropriated he will become extinct. Ex-American.

This cheated generation broadcasts the cry, "Calling all Corrigans!" to crusade for a return to the self-starting America we once knew.

Mere Thorne



LEISURELY BUSINESS

*gets left-overs
...or left out!*

One man's message to *one* man — the telephone, telegraph or air mail letter . . . One man's idea to *many* men — the Mimeograph . . . Man gets sales thought . . . Girl prepares Mimeograph stencil (with or without drawings) . . . Operator runs Mimeograph machine, and plain, dumb paper becomes articulate with what you have to say in rich, black ink . . . Is the Mimeograph process in your office or factory? . . . Shouldn't it be? . . . For further particulars look up the Mimeograph Man in your city, listed in the classified directory, or write to A. B. Dick Company, Chicago.

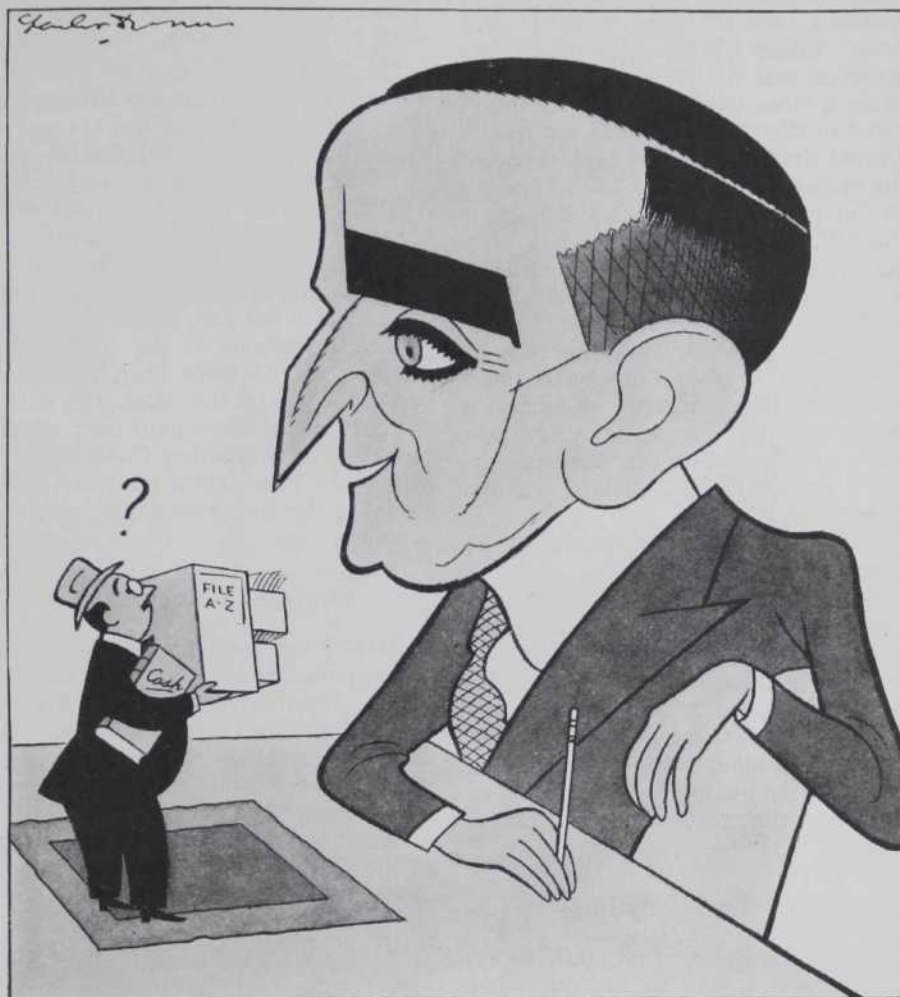
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O'Mahoney Wants Facts —Not Scalps

THE Senator who heads the "Monopoly" investigation explains the purposes and aims of his committee

By HERBERT COREY



CHARLES DUNN

"We ask business men's cooperation," says Senator O'Mahoney

SOMETIME this month Business—with a large and worried B, please—will be expected to make a personal appearance before the Temporary National Economics Committee. Reading in this instance from Right to Left, with U. S. Senator Joseph C. O'Mahoney on the Right and various clements from the executive departments on the Left. Unless all the early signs are misleading, Business will be given fair treatment.

"There will be no midgets," said Mr. O'Mahoney, severely. (Pronounced "Oh-may-oh-ney," with the accent on the second syllable.)

Perhaps Mr. O'Mahoney did not use the word "midgets." This interviewer's memory is not clear on the point. But there was no doubt as to the position taken up by the Senator from Wyoming.

The inquiry into the business affairs of the nation will be a serious and dignified one. Rodeo methods will not be permitted. He does not propose to barbecue the leaders of business in order to send up smoke signals on the

first pages. By the early part of September a preliminary inquiry into records and methods will have been completed, the 12 members of the Temporary Economics Committee will have worked out their plans of operation and teamwork, and the business men who appear before them will be called as witnesses rather than as defendants.

This will be a noteworthy departure from previous operations on Capitol Hill, which have more resembled a month in the field with Morgan's Raiders than real efforts to throw light on one of the most complex industrial situations in the world.

Seeking information

IF THIS is the way it works out, and there is every reason to believe it will work out that way, the credit must be given in large part to Senator O'Mahoney. This is said with no intention of detracting so much as a jot or a tittle from the honor due his associates. It is a fact, however, that

the Temporary Economics Committee came into being largely because of his initiative. The preceding work in the field had been done by him, and the tone and tempo of the inquiry had been fixed by that of his own inquiry as chairman of the subcommittee of the Judiciary Committee of the Senate in relation to his bill providing for the licensing of corporations engaged in interstate business.

O'Mahoney is a Massachusetts Irishman, 54 years old, about a welterweight, with highly movable eyebrows and a disposition that moves from set fair to highly inflammable if it is lightly shaken. Under pressure he can abandon the processes of diplomacy with no feeling of personal loss, and it is this interviewer's conviction that he would prove stubborn in combat.

He worked his way through college as a space writer, went to Wyoming with \$15 and an invalid brother and in time found himself in politics. He came to Washington as secretary for Senator John B. Kendrick and

worked for and got a diploma to practice law from the Georgetown Law School.

In the course of this period he seems to have set up a few heroes for himself. One of them was the late John Sharp Williams, of whose speeches and writings O'Mahoney became a close student. He grew interested in the business problems of the United States and went back through the records to see what had happened in the past. Out of that study grew the bill to which reference has been made, and of which the co-author was Senator William E. Borah of Idaho.

Because of the bill and because of the part to be played in creating and managing the Temporary Economics Committee the present inquiry was often referred to as the "antimonopoly" investigation. That annoys O'Mahoney:

"NOT antimonopoly, damn it," he says.

To clear away any possible hard feelings, this interviewer feels bound to state that he is not proposing to quote Mr. O'Mahoney verbatim. He is hard to follow that way. One moment he is dignified and affable and the next moment he is pulling down his brows and using the same kind of language the rest of us do when pressed.

Not "anti" anything

"HOOEY," says he. "Just plain hooley. We are just trying to find out what it is all about. The word 'monopoly' does not scare us. There are natural and sensible monopolies and we are not quarreling with them and there may be monopolies that use unfair means with which we have a quarrel. But we did not start out as 'anti' anything."

O'Mahoney's position toward Big Business may be defined in his own words:

We must recognize that most of the national business on which the country must depend if the unemployment problem is to be solved is carried on by interstate corporations, though created by the states. Since the states have no jurisdiction over the field in which these corporations operate and since that jurisdiction was, by the federal Constitution, vested in the Congress of the United States, it is a matter of elementary law that the Congress has the right and duty to regulate them.

In support of this position he quotes various Presidents and members of the Cabinets. In further definition of the part that Congress may play in regulating great corporations he quotes from John Sharp Williams:

I can imagine nothing more dangerous to the American republic than control of great corporations by a federal bureau subject in its turn to a political adminis-

tration of either party, excluding or admitting participation in business substantially at the whim and caprice and by the favoritism or enmity of the head of the bureau, influenced by Senators, Speakers and Presidents, whose "pull" would be in favor of "good trusts" and whose frowns would be for "bad trusts."

The hearings of the senatorial subcommittee into business affairs ran into four printed parts and are worth the study of those interested in what is being done and by whom. O'Mahoney's conduct of the hearings won him praise for his fairness and competence. He was more or less under the gun on other matters at the time, too, and, if he had made a serious effort, the sound of an O'Mahoney crisping might have been heard on every hilltop in the land. He wrote the better and more acid part of the report of the Judiciary Committee in which the President's plan for reorganizing the Supreme Court was denounced.

Opposed bureaucracy

DURING his term in the Senate he has opposed the dangerous features of the Administration's plan for reorganizing the Government, he has fought centralization and the tendency toward building up a bigger bureaucracy, he opposed the Administration's effort to take the control of waterways away from the states, and has ironically spoken of the Senate as a "House of Lords." For all that,

I could have passed my bill for the licensing of interstate corporations if I had wanted to. By the use of the common devices—

But he was not in a hurry. His desire was to explore the ground thoroughly, because he is convinced that his bill was a most important one:

I can say that without immodesty, because it is not my bill at all. Its origin dates back for more than 50 years—

But the hearings on it attracted attention. Inquiries into business methods are sure-fire newspaper stuff, especially when they are conducted with a certain fury. Some years ago a few unfortunate professors were found to have written pamphlets telling what little is known of the nature of electricity, and it is probable they have not even yet lived down the exposure of their shame. An antimonopoly investigation could have been on the Big Time throughout the summer or pre-election months.

It is not suggested that President Roosevelt had anything of the sort in mind when he sent a message to Congress on April 29, 1938, but it is certain that some of the young men referred to as "the palace guards" were thinking busily along these lines.

Among other things in the message, Mr. Roosevelt recommended:

A thorough study of the concentration of economic power in American industry and the effect of that concentration on the decline of competition.

A message from a President, especially a message along the sure-fire antimonopoly lines, is not to be disregarded by any Senate. This interviewer does not suggest that Senator O'Mahoney saw that his pet lamb was about to be coaxed away from him, although it is a fact that, as a state, Wyoming is given over to sheep and the Senator is no doubt familiar with their habits of thought. Nor does this interviewer indicate that Mr. O'Mahoney did a bit of quick thinking, because it is his complimentary conviction that the Senator always thinks quickly. At all events he offered a resolution providing for the study of the concentration of economic power.

He was in a more or less commanding position, because of the bill he had before the Senate and the hearings he had been conducting, but commanding positions have been taken before now. The palace guards went into action.

A serious inquiry

THEY wanted an inquiry into business affairs by the various executive agencies of the Government. This would have given them precisely the political advantage they wanted. The early plan was to call big business men—the name of J. P. Morgan was the first to be shaken out of the hat—and put them through another one of the rough and noisy inquiries to which the public is accustomed on Capitol Hill. It is possible that many illuminating discoveries might have resulted from such a raid, but they might never have stirred an audience engaged in watching the lions slap the martyrs down. An inquiry by the executive departments would have gone just as far and as fast as the palace guards wished.

But some members of the Senate thought that such an inquiry should be conducted by Congress. After all, it is the right and duty of Congress to regulate corporations if they offend, and not the right and duty of the executive departments. The departments have been regulating business, it is true, but in Mr. O'Mahoney's words, that was because:

The expansion of the railroads beyond the power of local governments to keep them in control brought about the creation of the I.C.C. Every decade since then has seen a further growth by business and the erection of other regulatory agencies. Presently the difficulties of legislation became more complex and the imperative need for efficiency in regula-

(Continued on page 72)



The automobile business has been a natural pace-maker in giving the consumers better values

The New Competition as Price-Maker

By E. G. NOURSE

PRICES are making political as well as economic news today. Where they stand with regard to individual incomes concerns every citizen. Prices are the arbiters of household budgets, they determine standards of living, decide the ebb and flow of industrial production, control what one man can buy in terms of another man's labor. In a very real sense, prices rule the state of the nation.

To know how prices are set ought to be everybody's business. It is, in fact, one of the most common subjects of popular conversation and is also widely discussed by the experts. But they are far from coming to any

THE CUSTOMER limits the price he will pay and the seller must meet it. Progressive manufacturers strive to give the buyer more for his money

general agreement. They even quarrel about the meaning and significance of the very words they use, such as "administered prices," "sticky prices," "flexible prices," "competition," "monopoly," and many others.

But one thing ought to be plain to every one:

The way prices of manufactured goods are made in our modern industrial world is very different from the

way prices were arrived at in the pre-industrial days when many small handicraft workers were employed on custom work or ran their small shops on almost a family basis.

Once or more in the course of the year the handicraft workers took their product around the circuit of the fairs, to be bargained off for what it would bring. Something of that kind of individualistic production and selling still obtains in farming and some other parts of our economic system. But it is a long way from the price-making system that rules for electric appliances, automobiles, farm implements, paint, packaging material, or almost any

other typical product of the complex processes of modern manufacture.

In a simple economy, we go ahead and make goods and see how prices work out. In the complex industrial world of today, we compute a price first, and then organize production to meet that price situation. The manufacturer makes a market survey to decide how many people can buy units of a product at different price levels and then goes out to build up his volume by meeting as many of these wants as he possibly can by employing the best techniques or even devising better ones and by improving the organization of his whole production and distribution system.

Business is ready to serve

THIS means that business men are constantly working in the consumer's interest by trying to get more of his business by giving him more for his money. If this new process demands a bigger machine or a more fully integrated plant, business is ready to build it, and if the demand is for a bigger business organization with larger blocks of capital, it is ready to supply that, too.

This is not to draw a fancy picture of modern business as economically perfect. It is merely to say that the march of industrial progress has involved bigger units of economic power just as it has called for bigger units of mechanical power. And power can be used either for good or for harm.

The significant thing about the modern industrial system is that a relatively small number of responsible business executives decide upon its prices.

If they make prices which are so high that people can buy in only limited amounts and if they then curtail production to that amount, it means that their handling of the task of price-making results in the industry working below possible capacity. Plant is partly idle and thus not earning returns on capital, and the labor force is partly unemployed and thus deprived of purchasing power.

Let us take a concrete example. A large mail order house found that it could sell comparatively few radio sets on its accustomed scale of price. Instead of sitting down to accept this contracted volume of business, it asked:

"What can the consumer pay? And what must he have by way of quality to induce him to buy at that price?"

The answer was: Ten dollars, five tubes and automatic tuning.

"It can't be done," was the first answer of the production department.

The second was: "If it's to be done, we must buy tubes at this price, cases at that . . ." and so on.

So they went to the maker of parts. "It can't be done," said he.

"How large a volume are you thinking of?" said the mail order executive. "One thousand to 5,000," was the reply.

"Can you make our price on an order of 50,000?"

To this, the answer was "yes," and the radio is now moving briskly into homes at \$10.45.

Since there are and probably always will be more small incomes than large, an important phase of the practice of price reduction which the more aggressive type of industrialist currently follows consists in simplifying design, supplanting more expensive materials by those which can be produced more cheaply. Thus the consumer gets the maximum of actual utility at the minimum of expense.

This process is well illustrated by the evolution of the mechanical refrigerator which, even after the basic techniques had been perfected, was still a luxury article with a price of around \$275 which kept it out of the reach of the masses. By simplification of structure and the economies of mass production, it has now been brought to a basic price of about \$100.

Obviously it is a combination of sound judgment as to this expansibility of outlet plus the courage to bank upon it which makes possible the introduction of the economies which go to make low price a reality.

It is the fact that individual business executives do have this power over large areas of production which has caused so much criticism of "administered prices" and monopoly control. But the fact that prices are administered is not the point. Under modern industrial conditions they have to be administered by specialized and responsible corporate executives.

The real question is *how* they are administered, with what insight and constructive skill the executive discharges his task of administration. It is just here that our system of private capitalism is on trial.

"Dynamic price making"

IF LARGE numbers of executives can't find ways of reconciling price and production cost to maintain volume operation, then we are pretty sure to try some other way of handling the nation's business affairs, however stupid or destructive that way might itself prove to be. But, if business executives in general do find ways of turning out goods at prices which put the full product of capacity operation of their plants within the reach of consumers, then everybody is going to be satisfied with this way of conducting our economic life.

This is what I call "dynamic price making." It means that the business man translates every new discovery or invention into better and cheaper products, that each new efficiency is translated into more product for those who want to work to satisfy the wants of their families.

Adam Smith in 1776 argued that, if we would just leave the individual producer alone, this process would work out everywhere and as rapidly as the means of progress became available. If one man did not take advantage of the new efficiency and share its benefits with consumers, another man would as a means of attracting more business to himself.

Monopoly is hard to hold

SMITH did not fully foresee the possibility of growth of a relatively small number of producers who might follow what they conceived to be their own interest in holding prices up even if total production was held down in the process. On the other hand, a great many people have magnified the amount of power which lies in the hands of any individual or small group.

Such power is effective only where it involves control of very limited natural resources or of some special process governed by a patent and it appears that we have definitely passed the crest of the power to build a monopoly on even such foundations. With the growth of scientific knowledge we are finding it constantly easier to develop substitutes through the devising of new methods or the use of different materials.

There can be no insurance of prices today against the revising force of progress. The serviceable tide of new comforts, new conveniences, new facilities, new products, new ways of living and doing assure that there can be no monopoly of customer good will, no sinecure in attracting and holding public preference.

Technology is constantly providing substitutes which enlarge the consumer's ability to switch to another commodity to defend himself against a price which has any flavor of monopoly. It may be quite unrelated to the product for which the high price is demanded, ministering to the same want in a different way, or increasing the appeal which a somewhat different want makes upon purchasing power.

Studies of industrial price making do not lead to the conclusion that competition is dead or moribund but simply that the nature of competition has changed. We need to understand the nature of this change if we are to take full advantage of its possibilities for good and avoid the dangers of possi-

ble abuses which lurk anywhere in the system.

The assumption that because companies are big they do not compete is clearly contradicted by the keen competition we see about us among various industrial giants. The three great automobile companies are the most familiar example of this type of competition. But it is interesting to note that, even there, relatively smaller concerns are quite able to defend themselves and carry the war into the enemy's country.

Furthermore, it should be remembered that the giant corporation is justified and demanded only at certain strategic points in the industrial system and that what we have in America is definitely not a straight system of "big business," but an interesting combination and coordination of big and little businesses. Specialized efficiency is the keynote of effective competition and small highly specialized concerns fit solidly into the niches between the big companies. These latter, however, carry the burden of developing a consumers' market and thus tend to protect rather than menace the smaller concerns whose work is coordinated with their own.

Steel and the consumer

THE kind of aggressive price philosophy and action which we have described as dynamic comes to expression most naturally and effectively at the frontier where industry meets the ultimate consumer of finished goods rather than at the mine mouth or the plant which produces raw materials, semifinished products, or remote "producers' goods." But if progress is to be steadily made at the consumer frontier, the industries which serve as supply lines to the rear must at least be willing to fall in step. Thus, for example, the steel industry cannot determine the course of growth for the automobile industry. But, if automobile makers build up a great market for cars, this creates a demand for sheet steel which stimulates the development of continuous strip mills and lower unit costs linked with larger volume. The automobile

business is the natural pace-maker, but maximum results will not be obtained unless the steel maker does his utmost to follow the lead.

Improved standards of living

THE dynamic element in price-making has, in the past 150 years, been putting the luxuries of yesterday within reach of the masses today, until the American standard of living practically implies a swift and beautiful automobile, economic refrigeration, convenient washing machine, efficient radio, and modish clothing. This is a wonderful achievement to chalk up to the credit of the executives of our industrial concerns.

But the record is spotty. At many points, we see the brilliant and cour-

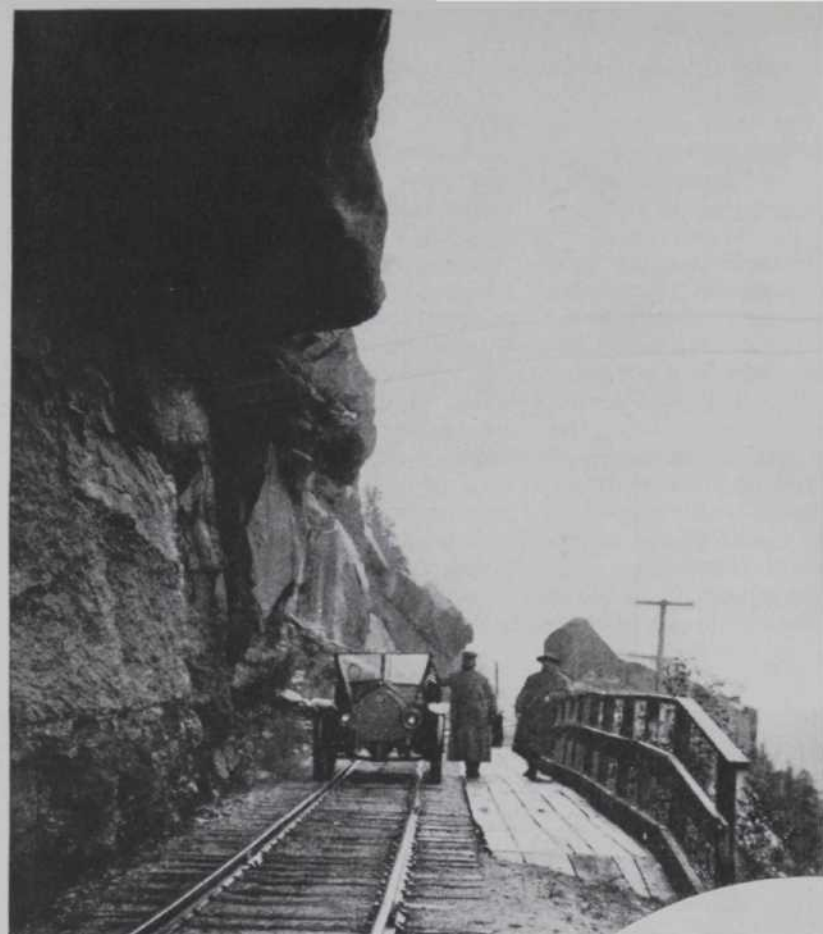
ageous performance of the pace-makers who have achieved what seem like miracles in the way of giving consumers more for their money. At other points we see the laggards who are less imaginative, less energetic, or less concerned about the ways in which their business may serve the public. If we can get these less progressive price-makers imbued with this same philosophy of dynamic price-making, this same determination to work out prices which will stimulate the maximum volume of business—and thus of employment—which is compatible with necessary costs, then we shall have our traditional American system of free enterprise under private capitalism fully justified in terms of attaining the maximum rate of economic progress for the whole people.



GEORGE LOHR

The problem of how to produce a radio that would sell for \$10.45 was simplified when the order was raised from 5,000 to 50,000

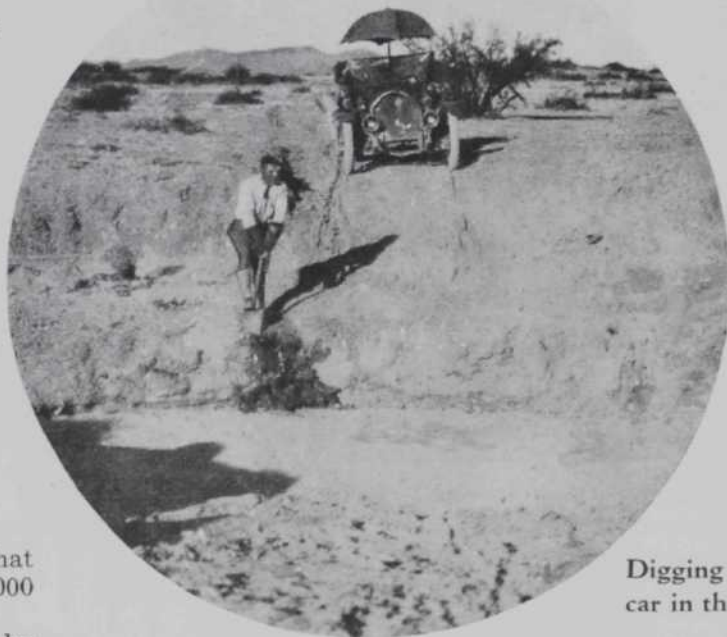
Putting Big



Crossing White Pass in Alaska
by riding the railroad ties

WHEN I was bumping over the mud roads and cow pasture turnpikes in one of the first steam-driven "horseless carriages" made by the Grout Brothers back in 1895, when there wasn't a single mile of paved rural highway anywhere and the first motor car registration ever made showed only four cars in the whole United States, I did not dream that I was then pioneering a gigantic industry that would add more than \$7,000,000,000 annually to the nation's business.

According to figures compiled by the American Automobile Association, 45,000,000 Americans in 13,000,000 cars went motor touring in 1937. On the average, they spent \$100 each. That makes \$4,500,000,000 contributed to the nation's business along the highways by touring Americans. Add to this the fact that the average life of an automobile is 80,000 miles and that these tourists average 5,000 miles each in motor tours, and you discover that these 13,000,000 touring cars have to be replaced at the rate of 812,500 cars a year on the basis of mileage consumed in tours alone. With \$800 as the average price per car, you can add \$650,000,000 more to the business created by tourists in 1937.



Major Percival dressed for
motor touring in the West

Digging a road for the
car in the Mexican desert

At least 16 tires are necessary for a car traveling 80,000 miles. Thus motor touring consumes 13,000,000 tires each year. At an average price of \$9.00 a tire, this adds \$117,000,000 to the gross annual business that has sprung up along American highways.

In 1935, bus transportation lines did a gross business of \$393,000,000 and in 1936 this increased to \$466,000,000. Commercial truck companies transacted a gross business of \$530,000,000 in 1935.

These are the latest authentic figures obtainable. So, on this basis you can add another \$996,000,000 making a total of \$6,263,000,000 in gross annual

business that comes from the use of American highways.

Add to this the investment in trailers in the past two years—the *Automotive Daily News*, trade paper for the motor industry, has estimated 160,000 trailers on the road. Throw in the cost of printing and distributing millions of road maps and the advertising bills by states, chambers of commerce and tourist bureaus aimed directly at attracting motor tourists, and expenditures for gasoline and accessories by the bus lines and truck companies and you get convincing evidence that a colossal business has come into existence along American high-

Business on the Highways

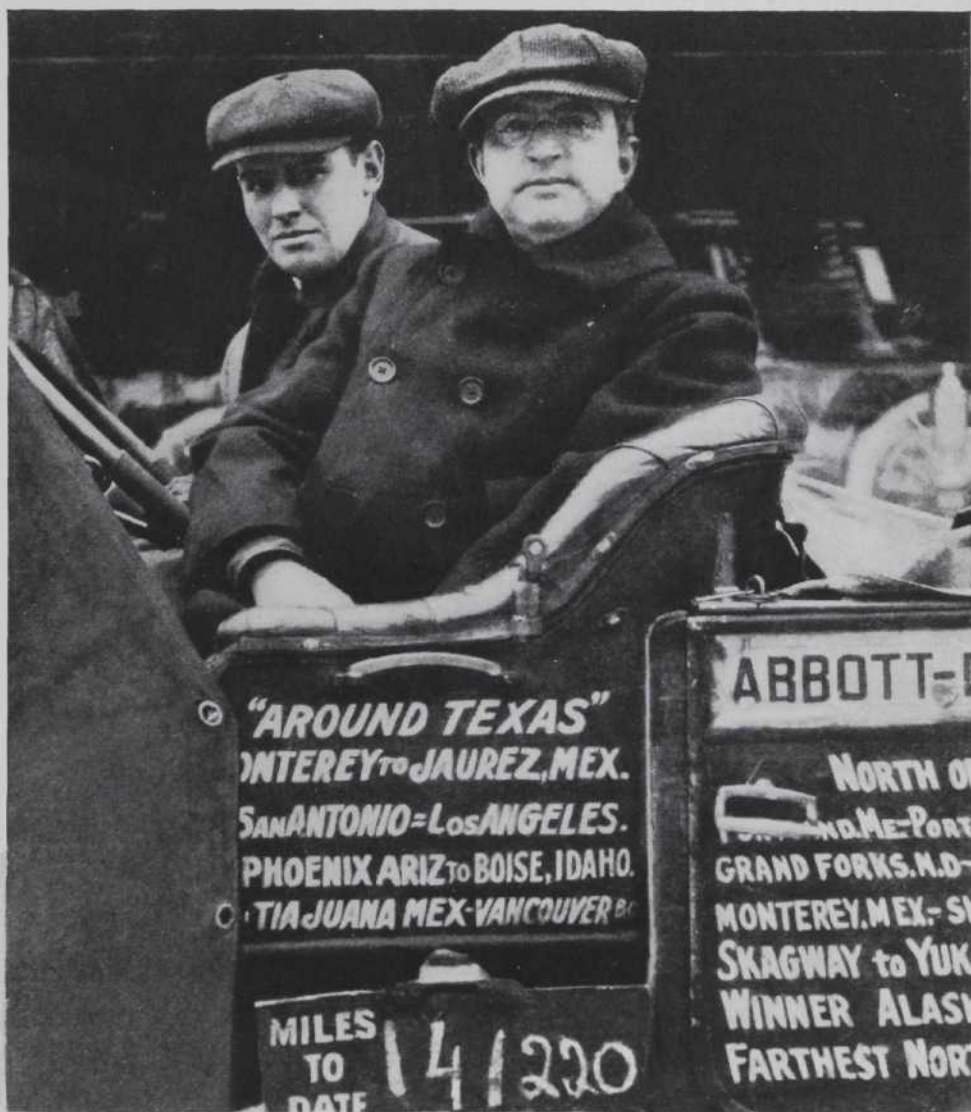
By MAJOR CHARLES G. PERCIVAL

ways—a big business that wasn't even dreamed of 25 years ago.

Furthermore, this business is widely distributed and flows quickly through the channels of commerce and trade.

Some 20,000 hotels depend more or less on motor tourists and bus passengers for their business. About 15,000 tourist camps and courts and 200,000 tourist homes derive all their income from motor tourists and bus passengers. There are 325,000 retail gasoline outlets. The number of roadside stands cannot be closely estimated, but they probably account for a large share of the nation's annual consumption of 4,500,000,000 hot dogs and 12,000,000,000 bottles of pop.

This business along American highways is growing by leaps and bounds. In 1936, according to the American Automobile Association, motor tourists spent \$850,000,000 for gasoline, oil, repairs and garaging; more than \$1,000,000,000 for camping supplies, souvenirs, knick-knacks and incidental purchases on the road; \$850,000,000 for places to sleep; \$892,500,000 for



The old Bulldog nears the end of her journey. The lower photo was taken about a half hour before the car finally stalled in the desert and Major Percival began his 22 mile tramp for help



Knowing train schedules was an important safety precaution in those days



meals; \$340,000,000 on the golf courses, at theaters and other places of amusement; and \$255,000,000 for refreshments along the way—a total of nearly \$4,200,000,000. This was the highest on record up to that time. The previous record total of \$4,000,000,000, established in 1929, was about equaled in 1935. Last year the figure reached the new peak of \$4,500,000,000.

Compare this picture with that of the old pioneering days. Then a fellow crawled into a contraption with bucket seats and gears and levers strung around over the outside till it looked like a mowing machine. When he ventured outside the town limits he was considered one of the daredevils of the community—and he usually was.

I was one of 'em. I started in 1895.



Tunnels or trestles were all the same to the Bulldog on the jaunt north of 62

By 1900 I had acquired a reputation as a daredevil tourist.

So, when somebody got the bright idea that you can't drive automobiles without roads, he picked on me to find the roads. In February, 1908, the Florida East Coast Association hired me to find the best logical automobile route between Jacksonville and Miami. There was no road of any description down there. Where winter motor tourists and bus lines now skim over concrete for the entire 371 miles in a single day, we took seven days to get through.

Traveling through swamps

MY companion on this trip was James Laughlin, III, a popular Pittsburgh sportsman who went along for the adventure. Our car was equipped with spades, axes, block and tackle, two 16-foot planks, spare parts, food and drinking water—and we had to hack our way through the underbrush and drag and push the old bus through

the swamps for almost the entire distance.

A spring gave way in the woods near St. Augustine. Working all night in the swamp by the light of a fire of turpentine knots, we welded the broken parts. It broke again outside of New Smyrna and we had it all to do over again. We broke the frame of our car in Indian River Swamp and repaired it after 12 hours' work with a sledge hammer, fish-plates taken from the railroad, and railroad spikes heated in a fire of turpentine knots.

In one stretch just before getting into Ft. Pierce we were eight hours going 20 miles. The daily newspapers played up the hardships of this tour and the publicity thus given to the adventure resulted in nearly 300 miles of good roads being built in Florida the next year—the first of the motor highways that have made Florida a paradise for motor tourists.

In 1910 I was picked to find the most feasible routes for transcontinental motor travel. Coupled with this was the burning desire of the Abbott-Detroit Motor Company to give an effective demonstration of the durability of their



The Pathfinder skids into a Florida mudhole. Left, Major Percival meets some Americans fighting with Madero



car, the old Abbott-Detroit "Bulldog." I had instructions to keep that old gas-wagon of theirs going till it wore out. It was a crazy idea. What made it even crazier was the fact that I was an expert motor mechanic and had secret orders to keep rebuilding the car on the road as fast as it broke down or

(Continued on page 64)

Boy Wanted—or Not?

By E. S. COWDRICK

YOUTHFUL vigor to which the nation must look for future leadership is being wasted. Discouraged young job-hunters are an easy prey for radicals

LAST SPRING one school newspaper printed its graduation story under the headline:

"WPA, Here We Come!"

Was this a mere outcropping of juvenile cynicism, or was it a realistic picture of the employment situation faced by graduates of grade schools, high schools and colleges in this year 1938?

The question is important. It makes much difference to the future of the United States whether youth is welcomed by industry or whether it is met at every factory gate by the sign: "No help wanted." Are our young men and women really facing unusual difficulties in finding employment? If so, what are the reasons and what can be done about it?

Statistically, the facts are not reassuring. The National Unemployment Census compiled by John D. Biggers in 1937 revealed that 19.9 per cent of the gainful workers between 15 and 24 years old reported themselves totally unemployed or engaged on emergency employment, compared with 12.6 per cent of those between 25 and 44 and 14.6 per cent of those between 45 and 64. Analysis of applications filed at public employment offices convinced the Bureau of Labor Statistics that the greatest proportion of unemployment among men appears in the age groups 20 to 24 and 55 to 59. College placement offices report a discouraging amount of unemployment among this year's graduates. It seems clear that youthful job-seekers are finding more difficulty in getting employment than any other age group except those who are approaching superannuation.

In its economic and social effects, joblessness among the young probably is more disastrous than among the middle-aged and the elderly. It represents



EDWARD F. WALTON

Members of the "lost generation" find it difficult to interest an employer in their capabilities

a waste of fresh and vigorous manpower, the material from which future leadership normally would be drawn. In many cases perhaps this is a permanent waste, since enforced idleness in the impressionable post-school years often leads to loss of morale, antisocial tendencies, and a defeatist outlook on life from which recovery comes with difficulty or not at all. The habit of dependency is quickly acquired and readily becomes chronic.

More schooling instead of work

ALONG with this waste of youthful raw material for business and industry have come other results, a few of them possibly good, most of them bad. For example, young men and women have been pushed back into the schools, where many are taking graduate courses or professional training as a second choice in the lack of self-sustaining work. This is making a net addition to the educational qualifications and cultural backgrounds of the students, but

at the same time it threatens to flood the already overcrowded professions with thousands of would-be practitioners whose first choice would have been employment in business. In many cases the prolonged educational process involves severe financial strain on families.

Domestic and social results perhaps are more disastrous than those that can be measured by economic waste.

Employment experts report that a large amount of home maladjustment follows the failure of grown sons and daughters to find jobs. Said one:

These boys and girls often tell the interviewer at the public employ-

ment office that he is the only one who has any sympathy for them or understands what they are up against. Fathers, mothers and sisters think they are just lazy; that they could get jobs if they really tried.

Home friction and inferiority complexes make the jobless youth an easy recruit for radicalism or even for crime.

But what of the young man and woman who wish to found a home of their own? For youth in its twenties the urge to marriage is stronger than at any other time in life. But often marriage is made impossible by the lack of an income. During the 1920's the annual marriage rate was ten or 11 per 1,000 of population; in 1932 it was 7.9. Sometimes the girl has a job, the boy none, and they contrive to eke out an existence from her earnings. This demoralizing arrangement cannot be expected to function successfully for more than a brief time.

Of late there has appeared, as a by-product of unemployment among youth, a new problem—that of the "lost gener-

ation" of idle men and women who left school in the early years of depression and never had regular work. These job-seekers now find themselves at a disadvantage as compared with those both younger and older than themselves. Because of lack of skill and experience they cannot compete with workers who have been regularly employed, while the employer who is willing to hire a green hand prefers one who is just out of school and who has no history of prolonged idleness.

In seeking the causes of unemployment problems affecting the younger workers, we should get out of our heads any idea that there is deliberate discrimination against youth as such. Quite the opposite is true! The employer who has a job to fill would rather hire, other things being equal, a young person whose health hazards are less, and whose occupational expectancy is greater, than are those of the middle-aged or the elderly.

Training workers is expensive

BUT usually other things are not equal. Of these inequalities, perhaps the most important are those relating to experience and skill. As the result of a long-time decline in apprenticeship and job training, too many youthful applicants have been taught no trade and have been trained for nothing in particular. The best intentioned employer knows that it costs money to teach a novice how to do even the simplest semiskilled job. Money is none too abundant just now with the average industrial concern, and at the same time plenty of trained men are looking for jobs. Moreover, many of these mature workers have families. Some of them may have been laid off by this very employer, with the understanding that they would have first claim on jobs when business picked up. The employer may have been solicited by one or another of the organizations seeking to find places for men past middle age. He may have been approached by W.P.A. officials who are trying to shift to private pay rolls men who are skilled and experienced. What is he to do? What he actually does, in nine cases out of ten, is what you and I would do in the same circumstances. He passes up the young applicant.

Sometimes education wholly or partly makes up for lack of skill and experience. Often it does not. Boys and girls by the thousands leave school after completing the elementary grades and join the ranks of job seekers with practically no qualifications except willingness to work—sometimes not even that. Many high school graduates have had no vocational guidance or trade training and have received just enough education to make them prefer white collar positions. The same thing can be said of a considerable portion of college graduates.

Here we meet a controversial question: What are the relative merits of different kinds of college courses, purely from the standpoint of value in earning a livelihood? Testimony on this point is conflicting. Many employers who normally recruit considerable numbers of college men each year show a decided preference for graduates of engineering colleges and schools of business, finding few opportunities to employ men with Bachelor of Arts degrees.

One university placement official reported:

Our experience shows that engineers, especially in chemistry and mechanics, find the readiest market. Next come the business school graduates and then the Bachelor of Arts. When industry visits the campus to recruit from any of these three groups it demands academic standing in top third of class, personality plus, and a good extra-curricular record.

Another wrote from the Middle West:

Graduates from the professional schools and courses such as engineering, education, chemistry, journalism, agriculture, and so on, have been placed much more readily than have the general liberal arts students.



Fathers, mothers and sisters think that their young men are just lazy; that they could get jobs if they tried. The jobless feel that no one has any sympathy for them or their problem

From a large university in the East came this comment:

Most of our placements are being made with those who are graduates of the School of Commerce, Accounts, and Finance, with majors in accounting, marketing, and management. In the College of Engineering, our best success is with the chemical, industrial and mechanical engineers. Those who have Arts and Science degrees are able to obtain employment to some extent, but their absorption into business depends upon each candidate's occupational interest.

But the academic courses are not without their supporters. Said one placement officer:

We have three colleges—Arts, Business Administration, and Engineering. Under ordinary conditions it is more difficult to place our Arts and Business men than our Engineers. This year, we have placed about the same percentage from each college, which indicates that our technical graduates have suffered more than the others in comparison with previous years.

From a university in an eastern city came this report:

Curiously enough, our College of Liberal Arts graduates have fared better during the past year than have some of the graduates of our professional schools.

Another placement director said:

Last year there were more opportunities for engineers and chemists than there were graduates available. This year opportunities in engineering and chemistry have been fewer than those for Bachelor of Arts and Business School students.

Another comment:

My own impression is that the Bachelor of Arts men are coming out of this mess a little better than anyone else.

Find a reason for education

IT IS NO part of our present purpose to join in the controversy as to whether too many American boys and girls are receiving college educations. It may not be too presumptuous, however, to suggest that the student who enters college should have some idea of what he is going to get for his four years' work. Is he trying to prepare to earn a living, is he laying a foundation for a graduate or professional course, or is he in search of culture and scholarship without regard to vocational possibilities? Facing of these questions often might avert unwise choices and future disillusionment.

Another cause for unemployment among youths is found in the seniority regulations of many companies. These regulations are enforced sometimes by the employer's idea of fair play, sometimes by local public sentiment, and sometimes—to an increasing extent—by union contracts. The young man who gets a job is likely to be among the first to be laid off when conditions require a reduction in working force. His opportunities of promotion are limited by a lack of service credits. Corporations



Home friction and inferiority complexes make them recruits for radicalism or crime

which make a habit of recruiting college graduates and other promising youngsters and giving them intensive training for rapid advancement are finding it increasingly difficult to carry out these programs over the protests of unions or of rank and file employees.

The increasing number of middle-aged and married women in industry probably has something to do with the job finding problems of the young of both sexes. In every recent period of business decline protests have been heard against permitting married women, especially those whose husbands have incomes, to retain jobs which might be held by men or by self-supporting girls. Some employers have removed married women from their pay rolls. For the most part, however, little has been done. For one thing, many of the married women are among the most efficient and valuable employees and their supervisors are reluctant to let them go. There is no doubt, however, that their continued employment during depressions stands in the way of their brothers and younger sisters getting jobs.

Marginal workers have trouble

RIGID wage standards play a prominent part in closing the doors of employment to young applicants. Ever since the World War American employers, labor unions, and government have approved high wages. For every economist who has argued that uneconomic wages increase unemployment, another insists that only by means of fat pay envelopes can enough purchasing power be created to support modern industry.

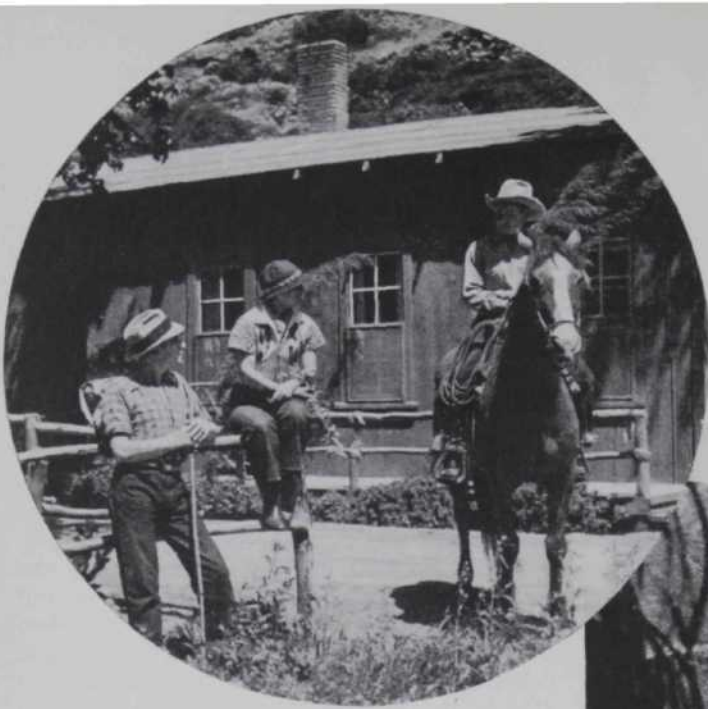
Whatever the merits of those conflicting economic theories, there is no doubt that high and inflexible wage levels make it more difficult for the marginal worker to get and keep a job.

With few exceptions the young and inexperienced applicants belong to this marginal group. One expert in junior placement reported that the relatively high minimum wages prescribed in codes during the N.R.A. period made it more difficult to find jobs for the younger workers. By analogy it may be expected that the new federal wages and hours law will add to the difficulties of the youthful job-seekers.

All the causes of unemployment among the young which have been enumerated are real and significant. They are of minor importance, however, in comparison with the one great underlying cause—an overall scarcity of jobs. Before about 1930, boys and girls when they came out of school found positions with comparative ease. After that, however, the unemployment caused by the depression was superimposed upon a considerable amount of labor surplus already existing. Then came a swarm of restrictive regulations, imposed sometimes by government, sometimes by unions, which boosted labor costs and provided direct incentives to displace manpower through the use of new machinery and improved processes. The incomplete recovery in 1936 and 1937 gave only

(Continued on page 76)

A Business



Eagle's Nest Lodge is headquarters for hunters. Wild boar and goats may be bagged the year round

TO those who insist that business exists only for profit and that all good things must come from government, we dedicate this article

AS A REPORTER on the Los Angeles *Express*, I arrived at my desk one morning in February, 1919, to hear the familiar voice of the late A. Y. Tully, the managing editor, bellowing above the assorted noises of a busy news room:

"Haig! Front and center!"

I went to his desk.

"We've just been tipped off," he told me, "that William Wrigley, Jr. has bought Santa Catalina Island from the Banning Estate for a reported sum of \$3,500,000 in cash! Unless I'm greatly mistaken, Cabrillo's Magic Isle is about to become a new Coney Island of the Pacific. Find out about it."

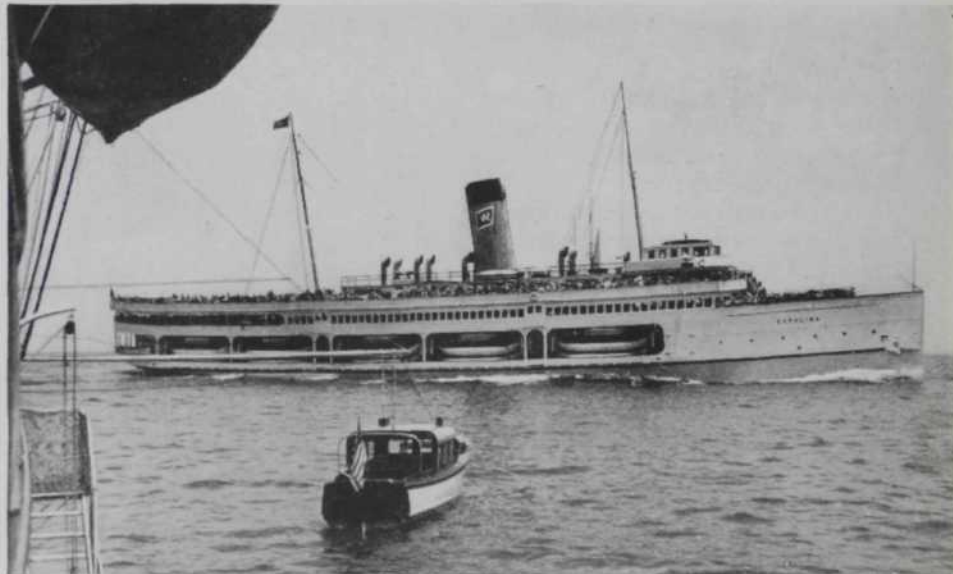
A few minutes later I was in the Pasadena office of David Blankenhorn, the real estate man who had handled the deal.

"Is it true, Mr. Blankenhorn," I asked, "that you have sold Santa Catalina Island for the Banning Estate to William Wrigley, Jr.?"

"Not entirely true," he told me. "Mr. Wrigley has bought the Banning interests in the island. That includes most of the island except property in the city of Avalon that has long been owned by persons other than the Bannings.



Looking across the Bay of Avalon. On the point to the right is the Casino. On the hill to the left is the Carillon presented by Mr. Wrigley



The S. S. *Catalina*, built in 1924, as a companion ship to the *Avalon*. The vessels sail from two to four times daily, make the trip in two hours

With the purchase goes the Santa Catalina Island Company and its subsidiary, the Wilmington Transportation Company, administrative organizations owned and operated by the Bannings or their heirs since 1892. Theoretically it may be said that Mr. Wrig-

ley now owns the island. I presume it is his intention to develop it as a pleasure resort but, for any information about that, you will have to talk to him or his representatives."

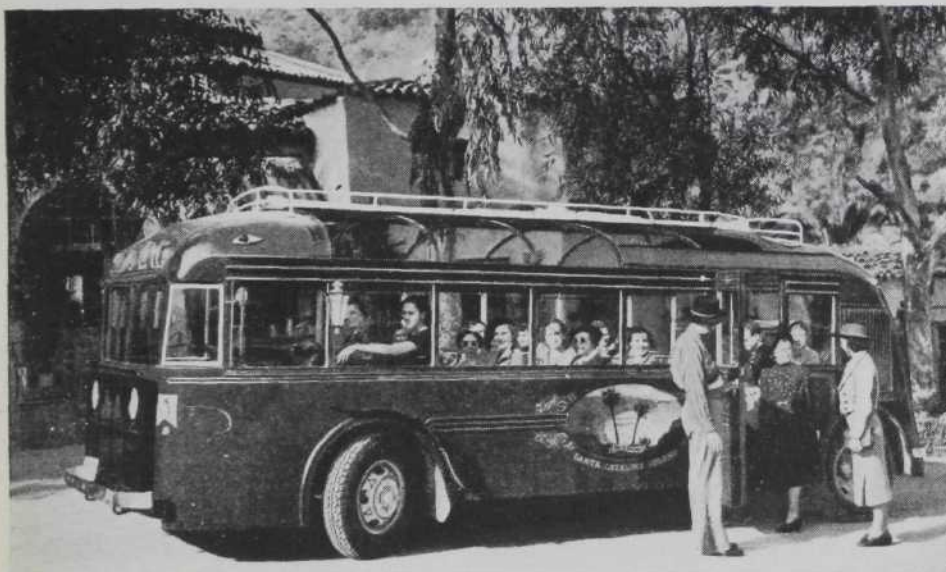
Later I interviewed William Wrigley, Jr., in the library of his home. He con-

Version of the Fuller Life

By JOHN ANGUS HAIG



Imported palm and palmetto trees have transformed Crescent Avenue, once bare of vegetation, into a shady and picturesque thoroughfare



Hostess and driver in Mexican costume man the bus which carries plane passengers from the airport (right) into the city of Avalon

firmed what Blankenhorn had told me but stressed the fact that he had bought only the Banning Estate's holdings, and that the purchase had no connection with any other Wrigley enterprise.

"And having bought the island, Mr.

Wrigley," I asked, "what do you plan to do with it?"

"You may say," he replied, "that I have bought these properties to indulge a personal hobby. I intend to develop the island as a pleasure resort

for persons of modest means. In doing this, however, I shall spare no effort to preserve and improve the natural beauty of the island. I'm going to spend a lot of money there in the next several years. My bookkeeping will be in red ink. But eventually I'll make up the cost by taking the smallest possible profit from an increased number of visitors."

Little known history

TO understand the almost incredible changes that have taken place on Santa Catalina Island since that day in 1919, it is necessary to know something of the island and its story.

To begin with, Santa Catalina is 22 miles long and ranges in width from one-half mile to eight miles. Into its 48,438 rocky acres are crowded a host of scenic wonders which, for picturesque variety, probably can be equalled no place on earth. Coupled with its beauty is a benign climate. Frost is unknown and summer heat is tempered.

First European knowledge of this natural pleasure resort was gained when Juan Rodriguez Cabrillo, a Portuguese navigator sailing under the flag of Spain, anchored his small fleet of caravels in the Bay of the Seven Moons—now the Bay of Avalon—on October 8, 1542. Cabrillo named his discovery





Trees for the beach were included in the \$1,000,000 landscaping program

San Salvador and claimed it for Spain.

The island remained little known until 1602 when Sebastian Viscaino rounded Cape Horn, retraced Cabrillo's route northward and came to anchor in the Bay of the Seven Moons on November 27 of that year. Because of the significance of the date to Catholicism, Viscaino disregarded the name chosen by Cabrillo and re-named the island Santa Catalina.

From 1602 until 1800 little history was recorded. The island remained in the possession of its original inhabitants, several primitive tribes of Indians who wore no clothing and derived their sustenance chiefly from the sea. Occasional passing ships landed men in search of food and water. It is also known that, at some time in this period, a herd of goats brought from Spain was liberated as a means of augmenting the food supply.

By the Treaty of Guadalupe-Hidalgo, which formally ended the war between the United States and Mexico in 1848, the entire Santa Barbara group of islands, including Santa Catalina, came under the American flag as part of California.

Under the rule of Spain and Mexico in what is now the southwestern portion of the United States there was no definite system for assessing and recording property. Practically no records were kept. Land was of such little value that it frequently changed hands over the poker table, was traded for horses or cattle or sold to raise capital for the development of gold mines.



The sand playground and wading beach donated to the city by Mr. Wrigley occupies land estimated to be worth \$2,500 to \$4,000 a foot

By some such transaction Santa Catalina Island became the property of Pio Pico, the last of the Mexican Governors of California, who is alleged to have traded it in 1846 to one Thomas Robbins for a horse and saddle.

The records are not clear as to who owned the island after Robbins. There are various legends but the next recorded ownership is that of Nicolas Covarrubias.

More frequent land sales

IN 1863 a gold mining boom got under way in the northern part of the island and James Lick of San Francisco purchased the property for \$80,000—the title being then held as a Mexican grant to Jose Covarrubias and confirmed by United States patent. In 1887 the trustees of the James Lick Estate sold the island to George Shatto, who under-

took its development as a pleasure resort.

Before Shatto and his associates built the Hotel Metropole in the late 1880's at Avalon, then known as Timm's Landing, visitors camped on the beach or slept in their sailboats after crossing the Santa Catalina Channel. It was Shatto's sister, Mrs. E. J. Whitney, who re-named Timm's Landing, Avalon—the name being suggested from Tennyson's *Idylls of the King*:

To the island valley of Avalon, where falls no hail or any snow nor ever wind blows loudly.

In 1892, Santa Catalina Island was bought by the Banning brothers, three

sons of Gen. Phineas Banning, veteran of the Mexican and Civil Wars, who operated the first stage coaches from Los Angeles to points in Arizona and the first coastwise ship service between ports of California. The Banning brothers organized the Santa Catalina Island Company in the summer of 1892 and, for 27 years, they or their heirs directed a tremendously difficult task of business pioneering.

They saw Avalon grow from a "rag town" of tent houses to a community of permanent streets and buildings, an incorporated city of the sixth class, and the island itself became an integral part of Los Angeles County and California. Their crowning achievement was the construction of the beautiful Saint Catherine Hotel, in Descanso Canyon, in 1918, a bold enterprise that was never profitable for the Banning Estate.

The next year Mr. Wrigley took it over. Since then an amazing transformation has taken place. Let's see how it came about.

First of all, few human endeavors could function on the island for more than a day without contact with the California mainland, a contact that once required a four hour voyage in a wobbly wooden steam packet. Mr. Wrigley soon realized that better service was required. In 1919, he bought the S. S. *Virginia* of the Goodrich Great Lakes Lines and reconditioned it in an Atlantic ship yard at a cost of \$1,000,000. This vessel, re-named the *Avalon*,* was placed on the island run in 1920. The channel crossing immediately be-

came faster, more comfortable and less expensive. Freight rates were also lowered.

The S. S. *Catalina*, built to Mr. Wrigley's specifications by the Los Angeles Shipbuilding Company, was placed in service in the early summer of 1924. Seaplane service, begun in 1919 by Sydney Chaplin, brother of Charlie Chaplin, the motion picture comedian, was later operated by Pacific Marine Airways and Western Air Express, Inc., before Wrigley took it over in 1931. The fleet of amphibians now operated as a subsidiary of the Santa Catalina Island Company provides a trans-channel shuttle service comparable to a 20-minute taxi ride in a mainland city and accomplished with about as little difficulty.

The plane passenger can drive in his own automobile to Wilmington on the mainland, check his car in the great garage of the Santa Catalina Island Terminal and go aboard the plane. Heavy baggage, checked on the airplane ticket, will follow on the steamers. Landing at Santa Catalina, the amphibian plane waddles up a sloping concrete ramp onto the turntable of the world's smallest land airport where a motor bus, piloted by a

driver in Spanish costume, waits to carry the passengers into Avalon.

Before 1916, Avalon was a city of enormous fire hazards, many disastrous fires and near-prohibitive fire insurance rates. There was no adequate water supply, hence no fire department capable of facing a peril that hung over the community with all the destructive potentialities of Mrs. O'Leary's cow. The whole city was a veritable tinder box of inflammable buildings with domestic cooking operations conducted over hundreds of gasoline stoves.

Avalon was burned down

ON November 29, 1914, the inevitable happened. A fire that started in a private home at four o'clock in the morning burned unchecked for 48 hours.

When it was finally brought under control by firemen pumping salt water with equipment shipped from Los Angeles, Avalon was largely a smoldering mass of fire-blackened debris. Nine hotels, including Shatto's famous old Metropole, numerous business establishments and residences had been destroyed with a loss of more

(Continued on page 78)

*An unfounded rumor still persists that this vessel is the re-conditioned *Eastland* which capsized in the Chicago River some years ago with the loss of many lives. According to the United States Department of Commerce, the *Eastland*, after this accident, was taken over by the federal Government, rebuilt and is still in government service on the Great Lakes. The author has compared photographs of the *Eastland* and the *Avalon*. This comparison reveals two vessels of dissimilar size and distinctly different hull lines.



The South Sea Island Community was created from movie sets. "Christian's Hut" from "Mutiny on the Bounty" is now a tavern



The Casino houses one of the longest and most beautiful bars in the world. It serves only soft drinks

Eighty-five passengers can view the ocean bottom through the *Torqua's* glass bottom. Inlaid cork makes her unsinkable

Dry Weather Chased by Portable Rain Makers



A New Jersey farmer operates his irrigating system with an old automobile engine

QUIETLY, during the past few years of drouth, irrigation of all kinds—with some new wrinkles added by farmers' and manufacturers' ingenuity—has been introduced from New England to Michigan and southward to Georgia. Scattered through this area are found all typical western forms of irrigation, from flooded fields to furrow and overhead "artificial rain" systems for fruit trees.

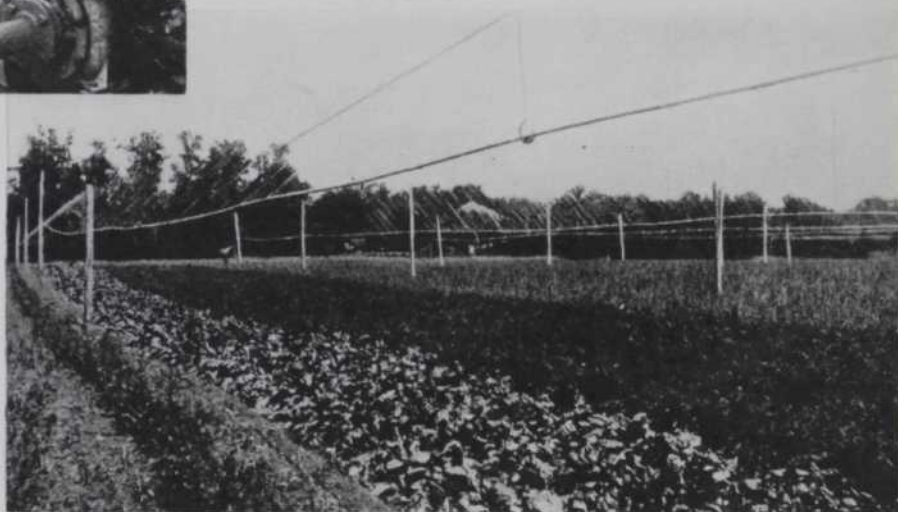
Many ingenious systems have been devised by farmers who are extending them to irrigate more acres each year. One farmer in New Jersey uses old boiler tubes from railway steam engines for piping water to his truck crops. For his permanent installation he welds the ends of the pipes together. For his temporary installation, he connects the pipes by means of old automobile inner tubes and uses an old automobile engine to run his pump. He uses his motor in all gears, including reverse, and a storage battery provides power for starting and lights for night work.

Porous hose is one of the simpler and newer developments for distributing water to the soil near plant roots where a limited supply of water will do the most good. It is made of ordinary canvas with one end closed. The water escapes from numerous eyelets or by seepage. This method was adopted to carry water up ridges or knolls a few feet high where not too much pressure need be placed on the water.

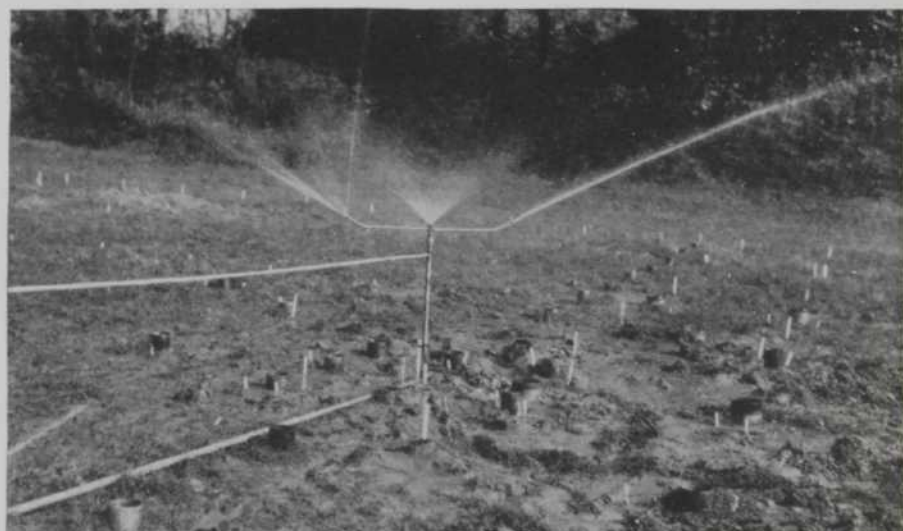
Materials for overhead irrigation or "artificial rain" comprise pipe, risers, sprinklers and pumps. The stand-up pipes range from two to 17 feet in height and may be used on all kinds of vegetation from carrots to trees. Portable systems that may be laid down and picked up by a single man are in frequent use and in some communities farmers organize jointly to use a portable system just as they employ harvesting and threshing machinery.



This orchard in Ohio is watered in dry weather with an eyelet hose that can be easily moved



Spray from overhead pipes is a boon to Wisconsin truck farmers when exceptionally hot and dry summers endanger their vegetable crops



This small spray irrigation device for low crops is under test. When water falls evenly and equally into all cans, irrigation will be even

Washington and Your Business

By HERBERT COREY

Job Here for a Crystal Gazer

TOPIC No. One for business men continues to be President Roosevelt's third term plans, if any. Reason why is obvious. Whatever happens in 1940 will have a sharp effect on American business. Only one man knows what his plans are and the chances are he does not. His close friends say there is one sure thing:

"Mr. Roosevelt will have his way about reforms. Or else."

He hopes to bring about a separation of the conservative and the radical elements in both major parties, they say. A defeat for a third term might not be too great a price to pay.

Next Congress Will Ca' Canny

MOST seem agreed that the Congress now in process of election will revise rather than extend the legislation of the last few years. There is a feeling that voters have been carried a bit too fast along the reform road and would like to catch their breaths. The Wagner labor law, the Social Security Act, and the wage-hour law will be closely examined. Intent will be to make these and other laws more workable but not to change the policies involved. Possible Republican gain of 60 to 80 seats, plus new-found realization of many Democratic congressmen that it is no longer necessary to step in the President's tracks, will stiffen the conservative element.

N.L.R.B. Holds Out Its Jaw

ONE of the top men in the National Labor Relations Board said:

"We are suffering from tick fever."

Tick fever is a regional disease but people die of it. The Board recently ruled that the workers in citrus orchards are not farm labor but should be organized. That opens the way to strikes and sit-downs and the other unavoidable troubles of organized labor and might spoil the citrus business. The N.L.R.B. says this cannot be helped unless all the work of making and saving and shipping the citrus crop is done by the owner on the premises. It's the law.

Burke Foresees More Trouble

SENATOR Burke, Democrat, Nebr., observes that if the men who spray orange orchards and pack lemons are industrialists under the law then so are dairy hands in Ohio, potato pickers in Maine, tomato hands in Maryland, sugar beet workers in Colorado, and practically every one else who works on a farm. The gates seem to be open to the walking delegates. It must be noted by this confirmed onlooker, however, that when organized labor got between the farmers and the Hershey chocolate factory—to note only one case—the farmers got down their pitchforks.

Ideals Collide with Pay Checks

SOCIAL Security has been registering shocks on its seismograph, too. Under the Act employers who hire eight men must pay the unemployment compensation tax:

"So we will only hire seven men and pay no tax" some of these employers report to the S.S. field men. "Maybe

we'll have to lose a job now and then, but how about all that bookkeeping we miss, too? Not to speak of the tax we do not pay."

But that does not help the employment situation.

Biting on the Mailed Fist

ONE of the ace experts on foreign affairs—not in the service of any government—returned from a European visit to say that:

France is on the verge of a civil war. The middle classes, which are the backbone and support of every country, are increasingly resenting the exactions of organized labor. They were labor's chief support at one time, but that time has long past. If civil war comes I do not know whether the pendulum would swing to the left or the right.

The French farmers, he said, are notably peevish.

This Is Text for a Story

THE expert's tale of middle class resentment of labor's iron rule in France recalls a story. A personal friend returned to Washington after an automobile tour to the West Coast. The farther West he got the more unpleasant he found the attitude of labor:

"Stupid leadership."

In one west coast city he went out at night to call on a friend who owned an automobile repair shop. He found his friend in his shop, of which the windows had been shuttered and curtained, tinkering with his own car:

"The union would fine me \$25 for doing overtime work," he said, "and if I didn't pay it would close my shop."

Labor Puts on Thinking Cap

REPORTS keep coming in that the more thoughtful leaders of labor, as distinguished from the triple-tongued variety, are concerned over what seems to be the fact that under the Wagner Act an administrative agency of the Government is in a position to shape future labor organizations to the N.L.R.B.'s liking. The law empowers the Board to "decide in each case whether the unit appropriate for the purposes of collective bargaining shall be the employer unit, the craft unit, plant unit, or a subdivision thereof."

Therefore the N.L.R.B. could rule that in a given plant the C.I.O. must have the bargaining privileges and the A.F. of L. could do nothing about it. Most of those concerned seem to agree that the N.L.R.B. members are doing their puzzled best with a hopelessly tangled law. A future Board might not be so conscientious. Harry Hopkins set an important precedent when he permitted his W.P.A. to investigate itself and bring in its own verdict of acquittal.

This Is Probably Just Gangrene

WHICH recalls the verminous rumor occasionally encountered in more or less informed quarters to the effect that Harry Hopkins would like nothing better than to be nominated for the Presidency in 1940; and that Mr. Roosevelt is looking with some favor on this ambition of his ace money-thrower. The rumor would be listened to with more attention if Mr. Hopkins's verdant friends had not

tripped over to New York to suggest to the state Democrats that he be nominated for governor. Since then a dense, foggy silence, much resembling the silence that Trust Quixote Bob Jackson stepped into in the same state.

Six Will Get You Ten on This

IN the whispering galleries one hears that:

A. Assistant Attorney General Arnold plans to seize control of the so-called antimonopoly investigation through a campaign of heavy roaring and attacks on bigness in business—which he seems to confuse with monopoly—and that:

B. He will succeed only over the dead body of Senator O'Mahoney, who will resist any effort to make politics out of the inquiry, and that:

C. O'Mahoney and Arnold are both from the state of Wyoming and both Democrats. O'Mahoney opposed the court reorganization plan, and will be up for re-election in 1940.

Thorp Keeping Skirts Clear

MAYBE Willard Thorp had heard something of this O'Mahoney-Arnold lip-biting when he served notice on every one that if the monopoly investigation began to detour

through political streets he would resign his post as director of the Department of Commerce's share in the inquiry. Thorp was for a short time director of the Bureau of Foreign and Domestic Commerce in the Department, and there became known as a full-time economist who would not play politics. He is quoted to the effect that "I'll get out if the inquiry is not purely objective."

When a Picket's Not a Picket

OVER in Philadelphia the Federal Circuit Court of Appeals has ruled that although workmen have the right to picket a factory when on strike against their employers they

have not such a right when a strike has been called because of a dispute between themselves. In the case in point the A.F. of L. union was enjoined from picketing a factory in which the employer had signed a collective bargaining agreement with the C.I.O. union. The decision is of importance because it indicates that an employer has the right to defend his property when its safety is menaced by factional labor disputes.

Really a Win for the N.L.R.B.

THE court's decision may prove to be of greater value to the N.L.R.B. than to the employers. The A.F. of L. has denounced as "a prejudiced interference with the rights of craft

workers unworthy of respect" the Board's order to the Serrick Company of Muncie, Ind., to recognize exclusively the C.I.O. union.

"No election was held, and 90 per cent of the workers are now members of the A.F. of L." said a spokesman for that organization.

If the alleged 90 per cent are debarred from picketing the Serrick works the N.L.R.B.'s hand would seem to be strengthened.

Weasel Words from Treasury?

IF these things mean what they seem to mean then the deficit has been reduced by ukase. The Government continues to owe as much money as ever, but it has hidden

some of the evidences under a chip. Or do they not mean what they seem to mean? At any rate in the July 1 Treasury statement this sentence appeared:

Effective July 1, 1933, . . . all operations of the R.F.C., in-

cluding expenditures derived from the sale of its obligations to the Treasury, were included in the Federal Budget. . . .

This has been changed, and hereafter the daily Treasury statement will be "simplified," "particularly in cases where the Treasury acts only in the nature of a depository of funds derived by the Corporations (the R.F.C., the Commodity Credit Corporation and the Export-Import Bank) from the sale of their own obligations on the market."

"We're in the Army Now . . ."

IF the doughboy who wrote the song knows what he sang about we'll never get rich. Reduced to simple language it appears that the R.F.C., the C.C.C., and the I-bar-E bank

have been set up as independent structures, just as the Home Owners Loan Corporation and the Farm Credit Administration have been, and the full story of their operations need not appear in the budget. They may borrow money from the Government, but they may also put up their own obligations as security, and so the books seem to have a sort of a cock-eyed balance. If the value of the securities is questioned the lucky corporations may organize an audit, W.P.A. style, and never worry about the S.E.C. The T.V.A., the R.E.A. and the U.S. Housing Authority may be expected to move into the new Enchanted Ground soon. Only the taxpayer is unable to write his securities on his cuff.

"Yes—But" Men Are Gaining

ADMINISTRATIVE plans to extend the coverage and authority of the various federal boards seem to be meeting with increased resistance. The American Bar Association's committee to oppose "absolutism" in government is planning to center its fire on these federal boards, which act as sheriff, prosecutor and judge. They have been "clothed with legislative, judicial and executive powers" according to the report presumably written by Dean Pound and read by James R. Garfield. "This means a complete change in our form of government."

Getting Voltage into "Yes—Buts"

NOT for the world would this on-looker ruffle the tenderest pin-feather on the most ticklish lawyer, but it might be observed that if the A.B.A. wants to get something done

it might call on Attorney General Cummings:

"The lawyers," said Mr. Cummings, "have been sending pretty noble committees to tell Congress what it should do. Having disbursed this load of guidance the committees go away and are not heard from again."

Mr. Cummings's operations seem to have been planned on a seasonal basis. He lets gleams shine from his bald head into the congressional murk, he turns his better-natured eye on the legislators, he tells a homely little story about what happened in Connecticut. Net result is that he has put an astonishing amount of law on the books that the A.B.A. had been clamoring for.

Headaches in Wages-Hours

BUSINESS men are earnestly advised to study the wage-hour bill in preparation for the next session of Congress. Every one admits something must be done about it. There

is not universal agreement as to what should be done. One company finds it desirable to run 40 hours this week and 48 hours next week, because of its business.

"This averages up to the maximum 44 hours a week and ought to be all right," said the company.

"No averaging," says the wage-hour administrator. "If you run over-time one week you pay for over-time."

Just to make life sweeter and lovelier for the business

Burroughs

DESK BOOKKEEPING MACHINE

New
Low in
Price



FOR PAYROLL AND SOCIAL SECURITY RECORDS

At one writing, this new low-priced Burroughs Desk Bookkeeping Machine produces pay check (or pay envelope), employee's statement and a record of the employee's earnings and deductions.

FOR BOOKKEEPING

Because it writes dates, adds debits, subtracts credits and extends the new balance, this modern Burroughs posts any ledgers, writes monthly statements, and handles all miscellaneous figure-work inexpensively.

FOR ADDING AND SUBTRACTING

The famous Burroughs Short-Cut Keyboard provides the fastest method for listing, adding and subtracting amounts. Subtraction is as fast and easy as addition.

Large concerns find that certain accounting jobs in different departments can now be mechanized at extremely low cost with this new Burroughs.

Small concerns find that it gives them the advantages of complete machine record-keeping with a minimum investment.

Let the Burroughs representative show you, in your own office and on your own work, what these savings can actually mean to you. Telephone the local Burroughs office, or mail the coupon for free, descriptive folder.

MAIL THIS COUPON!

Burroughs Adding Machine Company
6009 Second Blvd., Detroit, Mich.

Send me your folder describing the new Burroughs Desk Bookkeeping Machine.

Name _____

Street _____ City _____

man, each company is required to see that all the provisions of the law are complied with by every company with which it does business. More penalties are provided for violations than Hitler puts on non-Aryans.

Hope Springs Once More

HOPE continues to pop up in the human breast, even under the most adverse conditions. In the wage-hour matter business men seem to feel that the appointment of Elmer F. Andrews as administrator is something of a guarantee of fair play. He was under the glass in New York as State Labor Commissioner—he had been Miss Perkins's assistant when she held the job—and displayed a notable facility for keeping his shirt on. With the possible exception of Illinois no other state has as many vari-colored forms of labor troubles as New York and Andrews seems to have worked through them pretty well.

What D'Ye Know About This?

THERE are onlookers who think that Andrews' appointment indicates that Mr. Roosevelt has definitely turned away from his more bell-muzzled advisers. It is known that he worried more over the selection of a wage-hour administrator than over any other recent appointment. In the free gladness of his first term the boys who sounded like a cavalry charge were his favorites, but the notable success of Joseph P. Kennedy and William Douglas, to name only two of the less excitable appointees, may have turned him away from the sound effects. Francis A. Bonner might be cited as a witness in support of this theory. He is an investment banker in Chicago, was once the chairman of the legislative committee of the Investment Bankers Association, has been on the board of governors of the I.B.A., and has been named as special adviser to the S.E.C. in connection with the enforcement of the Maloney Act. No barn-burning in that record.

Guessing Is Poor Business

THIS is a mere guess, and if it is ever referred to again this author will be terribly hurt, but there seems a probability that the Government's hydroelectric program will be under scrutiny in the next Congress from a different angle. As long as dam-building was presented to the people as a part of the holy war against the utilities the popular opposition might have been recorded as minus 4. But down in Texas the farmers have protested that some of their high dams have not merely been built only for power purposes—which has never been admitted by the Administration—but as flood-retarders they are positive dangers. In Austin it was stated that:

"The flood stage would not have exceeded 19 feet, instead of reaching 34, had the flood gates of Buchanan dam been lifted earlier."

Secretary Ickes has ordered an investigation, but the farmers do not want Mr. Ickes' kind of an investigation.

Candor and Calm Needed

IN THE T.V.A. investigation Authority Lilienthal made one very significant admission: "Government-owned projects," he said—this is not a verbatim quotation—"pay less for the money they use and are partly free of taxation. This gives them an advantage over privately owned projects."

Mr. Lilienthal had carefully avoided saying anything like that during the history of the T.V.A. The only pocket into which a government-owned project can dip is the general taxpayer's. If both sides will be fair and calm, the future examination of these projects by Congress will not so closely resemble a dogfight.

Awkward for Mr. Ickes

WHEN President Frank J. Hogan of the American Bar Association announced the appointment of a committee to protect the rights of the individual against encroachments by government a spotlight was turned on a hole in which Secretary Ickes finds himself. No one has ever doubted Mr. Ickes's good intentions:

"He practically depopulated his Chicago clubs with his good intentions," said an acquaintance—

But a statement by the President, converted into a promise on the floor by Senator Barkley, was needed before legislative permission was granted for P.W.A. loans to municipalities for the construction of generating stations. Such municipalities, under the terms of the promise, must first offer to buy the facilities of existing stations at "a fair price."

A privately owned company would not sell unless pressure were brought on it, in nine cases out of ten. Is a price fixed under pressure "fair?" This is the question Mr. Ickes must decide in a number of cases.

War Between the States?

ANOTHER sweet mess seems to be in sight with the 48 states at war with themselves and the federal Government at war with the 48. The tax laws of the 48 states run about as much to a pattern as do the stars in a kaleidoscope held by a man with shaking palsy. A corporation may be taxed on 160 per cent of its income and another corporation doing business in the same two states may escape with taxes on only 40 per cent. Herbert L. Mount, a member of the Wisconsin Tax and Interstate Cooperation commission, points out that "the inconsistencies and relative inequities" have been acute. A Conference on State Defense is to be held, of which a principal task will be to preserve a balance between the state and the federal taxing powers. If the states do not agree to some form of order among themselves the federal Government may be compelled to define what they may and may not do. In which case the existence of the states as self-governing commonwealths will have been at least shaken.

Another Big Man Is A'Bornin

THOSE who do not like the "palace guards"—put your own names on the guardsmen—say they are showing evidences of violent jealousy of William O. Douglas of the S.E.C. He came to office heralded as a good man with the cut-and-thrust, but he seems to have established friendly relations with the dominant element in the New York Stock Exchange, the American Bar Association listened to him with respect, the Investment Bankers nodded approval, and the Federal Reserve and the Treasury are working with him pleasantly. All of which adds up to the suggestion that he may become as stout a personage as was Joseph Kennedy before he was sent to the Court of St. James to bolster American prestige, which had suffered from a somewhat excessive tolerance on the part of our ambassadors.

It Cost Money But It's Cute

ACCORDING to the secular press the Government had worked up a strong case against the coal operators of Harlan county. Then the jury somewhat violently refused to agree. Here's the story that comes from Harlan.

One of the jurors was in a fighting mood because his crops had been ruined because his wife could not find any one to work on the farm. Every one who wanted work had it from the W.P.A. The W.P.A. is one of the instrumentalities of the Government. Sounds a little circuitous, but one never can tell. The story might be true.

How your life insurance money comes home to boost!



1. Perhaps you've sometimes wondered what happens to the money you pay as life insurance premiums. Is it locked in a vault for safe-keeping? No. The money not required for current claims and expenses is put to work. It is carefully invested in first mortgages on real estate and securities paying a fixed rate of income, where the borrowers who are responsible to the insurance company for the payment of interest and the repayment of principal also manage and control the enterprise.



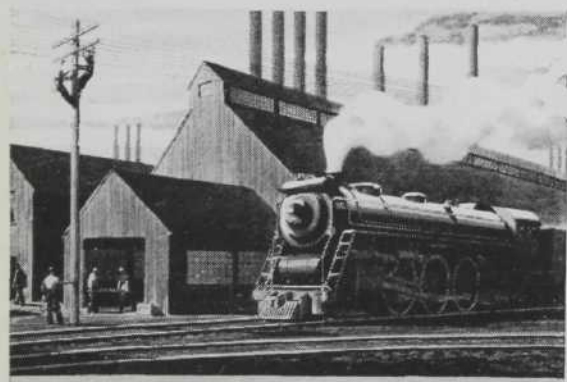
2. For instance, millions of dollars, held by Metropolitan for the benefit of its 29 million policyholders, are invested in Federal, state, county, and municipal bonds. You've seen *these* dollars come home to *boost* your community—in new roads, bridges, schools for your children, and a multitude of other public improvements.



3. Metropolitan has invested other millions of dollars in city real estate first mortgages. The chances are that right in your own community there are homes, stores, and office buildings that life insurance dollars helped to build... money that comes home to make your community a better place in which to live.



4. Still other life insurance dollars are sent out to work on farms—are invested in farm mortgages. Spread through the farming sections of many states, these dollars help farmers produce better crops, protect fertility of land, get needed equipment, and keep buildings in proper repair.



5. Life insurance dollars also have been busily at work in transportation, utility, and industrial bonds—helping to keep factories humming and men in jobs, helping to bring goods to you, and to move what you and your neighbors had to sell to other markets.

THIS, in part, is the story of what happens to the dollars your life insurance company holds for the benefit of its policyholders. These dollars are kept continuously employed, earning *more* dollars—and thus helping to pay the cost of your life insurance.

But your life insurance company's first responsibility is to *safeguard* these dollars. For eventually, when the need arises, the dollars contracted for in your policy must be paid to you—you, or your loved ones.

COPYRIGHT 1938—METROPOLITAN LIFE INSURANCE CO.

This is Number 5 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker,
CHAIRMAN OF THE BOARD

Leroy A. Lincoln,
PRESIDENT

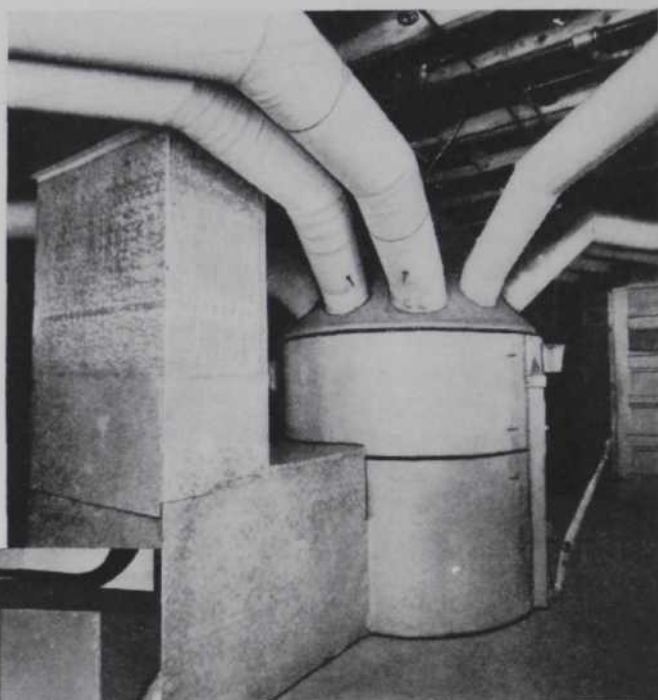
1 Madison Avenue, New York, N.Y.





G. W. Penney with his invention, the Precipitron, experiments with tobacco smoke

Electrocuting Dust and Dirt



He installed a unit in his home which eliminated daily dustings



Engineers built a testing tunnel in which they create special conditions of heat, drafts and size of dirt under which the Precipitron will have to work



Snowball, Snow White and Marjorie Elizabeth Penney act as observers on home test and note condition of wall above hot air register

THE MACHINE pictured here gets rid of dust and dirt in the air by electrocution. It is called a Precipitron and is the discovery of Gaylord W. Penney, a research engineer with the Westinghouse Electric & Manufacturing Company.

Penney describes his first electrostatic air cleaner as a wire sticking up in the air, a couple of aluminum plates which were separated by pieces of cork, and a piece of oily cloth. He set fire to the cloth, turned on the electric current in the wire and saw the smoke deflected from the wire to the plates. With later refinements he discovered that he could electrically charge each particle of smoke and dust in the air and then, in an electric field, pull them out of the air to electrically charged plates just as a magnet pulls out iron filings.

To give his machine a real-life test, Penney connected it with a hot air furnace in his own home and his family reported that it was only necessary to dust once a week in comparison to the former daily dustings.

Experiments were continued for three years before a complete unit for industrial use was manufactured and even yet units are not available for general home use. In the meantime efforts are being made to widen the Precipitron's usefulness by attempting to use it as a means for eradicating pollen from the air for the relief of hay fever and asthma sufferers.

So far Precipitrons have been put to work in factories, stores and office buildings. The first large commercial installation was for the recovery of glaze in automatic glass spraying machines. It has also been demonstrated in protecting the automatic relays in telephone exchange switching rooms and for cleaning the air in processing rooms in connection with the motion picture industry.

COMPTOMETERS "streamline" Budd Companies' figure work



THE BUDD-BUILT CRUSADER,
FAMED READING LINES FLIER

Think of a gleaming new streamlined train—and you think of the name "Budd"! For, ten to one, it's a Budd-built train you picture in your mind.

Firm believers in modern industrial technique, small wonder that Budd makes this statement: "We have 35 Comptometers, both electrical and me-

chanical, in the Detroit Plant of the Edw. G. Budd Manufacturing and the Budd Wheel Companies. These Comptometers are used on such figure work as *payroll, sales and other analyses, estimating, planning, costs, distributions, earning reports, billing, etc.*

"We find that they have stood up remarkably well, with a minimum of repairs, and have proven themselves without doubt the speediest and most efficient means of making mathematical calculations.

"Prior to 1932, a large part of our payroll work was handled on other machines. Since displacing them with Comptometers, we find that our costs have been reduced and the task performed more efficiently by the Comptometer, primarily because of its flexibility.

"We have no idea how or on what machine this work could be accomplished as efficiently if the Comptometers were to be removed from the Plant."



Model K Comptometer in operation. If your firm's figure-work methods need a "streamlining" treatment, permit us to demonstrate (on your own job) Comptometer features which cut costs and save time. Telephone your local Comptometer office, or write to Felt & Tarrant Mfg. Co., 1712 N. Paulina Street, Chicago, Ill.



The skilled metalworker shown above is using the SHOTWELD process (developed and owned by Budd) in the construction of a modern "streamliner." This process is rapidly revolutionizing the field of metal welding.

COMPTOMETER

Reg. U. S. Pat. Off.

It Still Happens in America

By J. GILBERT HILL

STORY of a man who parlayed \$5 and courage into a business that is doing \$60,000 gross a year and still growing

HORATIO ALGER stories of an age just passed have been thrown into discard by a so-called practical generation but stranger stories of "success from scratch" than fiction writers can imagine still are being written in America.

Only in the United States could a man with \$5 and fight possibly establish his own business employing 19 persons, chin himself out of a financial well, and buy additional real estate, beginning at the bottom of the deepest panic this country ever experienced.

L. C. Brown of Oklahoma City has done it. He now owns one of the country's largest potato chip manufacturing establishments. Five years ago he not only was broke, he owed everyone he could. And Brown has only one grinning explanation:

Some cock-eyed advertising writer with a good job said "1933 would reward a fighter." That was all I had left—fight. It didn't bring much of a reward to me—but I did stay off relief.

I decided that, if 1933 could reward anyone even that much, a better year would reward better. Each year has been better and the rewards greater.

But that's getting ahead of the story of a typical American business which really began in 1929. Brown knows about these cock-eyed advertising men. He was selling newspaper advertising himself in that year when everyone expected to get rich in the stock market and retire within 30 days.

The business guns were booming and Brown was hauling up the ammunition for the other fellow. It was more than a man making \$75 a week could stand. He wanted to do some big booming himself.

"I guess I was just making too much money," said Brown. "But I did what everyone else was doing, borrowed money and got into business."

He was selling food advertising, so he turned to that business. He opened a bakery and seemed to be getting



In their basement factory Mrs. Brown made potato chips while her husband sold them. Now the business occupies its own building

along fine until everything crashed. They sold him out, but Brown landed running. He began an advertising food service for smaller daily papers.

Collections were slow

THE service sold but it didn't seem to sell advertising to merchants. When it came time for Brown to collect, he found that this time he was the creditor of a swell bunch of publishers who thought more of paying their help than Brown.

Business was reaching its lowest ebb. The erstwhile advertising salesman had a home on which he was 18 months behind with his payments. He owed the electric and gas bills for three months and kept the service turned on only by fast talk and a dollar now and then. He had a wife and baby daughter, and a 1929 car which was then four years old.

It was then that he made a trip to a nearby city to attempt to collect \$35, and came back with that famous \$5 from a publisher who only a few months later went bankrupt.

As a part of his food advertising service he had supplied recipes, one being for a type of corn chips his family liked. People always had and always would buy food, he reasoned, so he never got home with the \$5. Instead he paid \$2 for salad oil, \$1.40 for bags, and \$1.60 for corn meal and other ingredients and brought them home to his wife.

Brownie's Corn Chips were born that night, over a steaming pot on his wife's kitchen stove. A piece of screen was fashioned into a dipper and he and Mrs. Brown worked until after midnight.

The next day Brown started calling on his friends in the grocery business with his new product. He had ten dozen sacks of corn chips when he left. He came back with more paper bags and corn meal. He'd sold them all.

"I knew the grocery stores would give it a try," said Brown. "But I never was so happy in my life as when I called back around and found the public was buying. When repeat business be-

(Continued on page 74)

IT'S HOT NEWS WHEN A TRUCK TIRE RUNS COOL

New Goodrich Tire Licks Heat Problem—Practically Eliminates Sidewall Breaks

• You can now get greater truck tire mileage than ever before! Greater freedom from road delays and premature failures!

Thanks to Goodrich engineers you can buy a new kind of truck tire—a tire that does not get dangerously hot. With the heat problem licked you can forget most of your tire worries.

It's excessive heat that kills off tires while they're still young. Rubber wilts under the frying-pan heat generated by today's high speeds and heavy loads. Sustained high temperatures make tires "grow," cause blow-outs, sidewall breaks.

NEW TYPE CORD USED

Goodrich gives you a cooler-running tire with a body of the newly-developed Hi-Flex Cord. This cord retains its strength and elasticity. It doesn't stretch and become longer, permitting the tire to "grow." Smaller in diameter, more compact, Hi-Flex Cord can be surrounded with more cooling, insulating rubber. Because of the cord's amazing properties, it is possible to build a super-strong tire, yet a tire that does not depend on thickness alone for its strength. It's a compact tire that runs cooler—stays below the temperature danger point.

EXCLUSIVE WITH GOODRICH

Only Goodrich offers you Hi-Flex Cord, and only Goodrich offers you this money-saving combination:

- 1 **PLYFLEX**—a tough outer ply which distributes stresses throughout the tire and prevents local weakness.
- 2 **PLY-LOCK**—a new method of locking the plies about the beads, anchoring them in place.
- 3 **HI-FLEX CORD**—full-floated in live rubber—cord that retains its strength and protects the tire against getting dangerously hot.

No wonder we can say that sidewall breaks are practically eliminated with Goodrich Silvertowns!

NO EXTRA COST

Why not follow the lead of Allied Vans?

Put these tires on your trucks and put an end to worries about peak loads and high speeds. You can handle any haul safer and cheaper. And remember—you will get premium tire mileage without paying a premium price.

Phone a Goodrich Dealer or Goodrich Silvertown Store for prices.



ALLIED VAN LINES is an organization of some 550 agent-members operating more than 900 fast modern vans in coast-to-coast service. Heavy loads and high speeds offer no tire problem to Allied drivers. Their Goodrich Silvertowns are protected against "tire-killing" heat.

Goodrich Triple Protected Silvertowns

SPECIFY THESE NEW SILVERTOWN TIRES FOR TRUCKS AND BUSES

No Business Can Escape Change

For comfort and convenience, for time-saving and economy, business makes new products

1 • **STRETCHABLE** decalcomanias which may be applied to rubber products make possible a full range of color and detail in decoration. The transfer becomes an actual part of the rubber, stretches well, and will not crack or rub off. The process is available for a wide variety of rubber goods from toy balloons to rubber coin trays.

2 • A **NOVELTY** stopper for liquor bottles is covered by a bright metallic sphere which protects the lip of the bottle and keeps the cork itself clean even if it upsets on the floor.

3 • **STAMP** pads of a new type do not collect lint or over-ink the stamp. They have no cloth or felt but are chemically processed wood blocks set on the end of the grain. The capillary tubes feed just the right amount of ink to the surface, the pads do not become sticky, and give a clean, sharp impression. They are said to be unaffected by humidity.

4 • A **NEW** electric light socket is made, except for electric conductors, of a synthetic plastic which is said to save weight and eliminate the necessity of a paper shell insulation.

5 • A **NOVEL** lawn mower is light weight with its cast parts made of a die-cast zinc alloy. It is especially rigid and holds adjustments well. Wing nuts make hand adjustment easy. The handle is made of a steel tube.

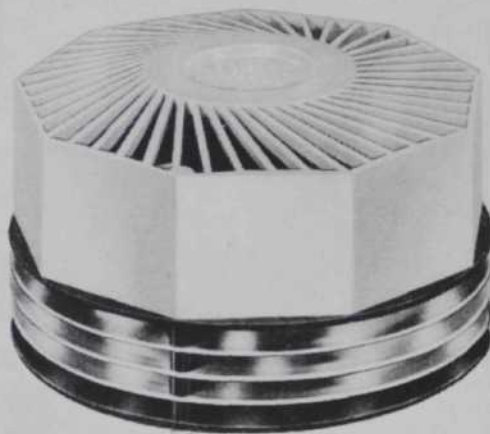
6 • **FOR** automobilists who must stop on a hill there is now an automatic device which keeps the brakes on until the clutch is released. It may be applied to hydraulic braking systems only, does not become operative until the car is stopped, but then retains the hydraulic pressure as long as the clutch is depressed.

7 • **TO KEEP** leaves and trash out of roof gutters and spouting there is a new heavy wire mesh built to snap in place and held by spring tension. The eaves troughs dry more quickly with no trash to hold moisture, remain rustless longer. The wire is strong enough to keep out small animals and birds.

8 • **SYNTHETIC** bristles now available in tooth brushes are made of a plastic extruded through holes of the desired size. The bristles can be made in virtually any length. They are not softened by water or saliva, stiffness can be accurately controlled.

9 • A **NEW** window design has the advantages of standard double-hung windows opening at top and bottom and also swings out as a casement window for free passage of air and for safer cleaning.

10 • A **PORTABLE** electrostatic voltmeter, with ratings from three to 20 kilovolts, has a light beam pointer, magnetic damping, and a current-limiting resistor for safety. Typical applications are measurement of voltage in dielectric tests, study of electrostatic charges. The calibration is not disturbed by moving the instrument.



25 • A novel type of electric fan creates no draft to disturb papers or delicate fabrics. It sits on the floor, draws in cool air and blows it upward to make even circulation throughout the room. It is enclosed and safe for even children to play around while it is in operation.

11 • A **NEW** type transparent dampproofing for exterior stone, cement, and brick is made on a base which is not waxy. Dirt particles do not stick to it, hence the surface stays clean much longer. It is non-staining. The dampproofing may be painted over, if desired.

12 • **FOR** the woman with tight pumps there is now made a diminutive curved pad which fits on the bare instep where the vamp of shoe cuts. It is said to add markedly to comfort.

13 • A **NEW** filing case for drawings, maps, and plans allows vertical filing in folders. There is a saving in space, drawings are more easily filed and found. Special light springs keep the folders vertical and compressed to prevent crumpling.

14 • **FOR** drafty doors there is a novel felt pad which, when the door is shut, drops down to the floor and makes an effective seal against drafts, but, when the door is opened, rises enough to prevent rubbing.

15 • A **NOVEL** water-jacketed fireplace provides hot water heat for the rest of the house while the cheering open fire is enjoyed in one room. It can be used as an auxiliary heating system or as the only heat for small homes, hunting lodges, and the like.

16 • A **RESURFACING** material for concrete floors is easily applied and troweled out to a feather edge. It has a cellulose base. It may also be applied over old wood floors.

17 • **TEA** is now available in waterproof paper packets, which are said to do away with cloth lint and improve the taste. The paper is pierced with many small holes to allow water circulation.

18 • A **TIME-SAVER** and safety device for blasting operations is a rubber expanding plug which replaces tamping. A wedge driven in the top seals the hole effectively. Misfires are fired safely by firing

a small additional charge on top of the first plug. Improved efficiency is claimed, too.

19 • A **SMALL** drill and grinder in a matched set offer low-priced convenience and speed. The grinder is about the size of an apple and turns 20,000 r.p.m. The drill, of revolver shape, and quarter-inch size, turns 1,000 r.p.m.

20 • A **NEW** refinishing kit for chromium plated parts of automobiles has a paste cleaner and a synthetic, transparent, easily applied lacquer. The lacquer makes a practically invisible coating which will not chip or peel from exposure.

21 • A **COMBINATION** watt-hour meter and time switch simplifies the metering and control of two-rate or off-peak domestic electric loads. The electric contacts will break a 40 ampere current.

22 • A **NEW** galvanized roofing has a spring-pressure lap which is said to make it storm-proof, weather-tight.

23 • A **BELTING** that's uniformly round is made of a composition for small machinery. It has a strong center core that resists stretching. Ends can be fastened without wire staples.

24 • A **SOPHISTICATED** version of the old game of jacks adds zest for grown-ups. The jacks have different shapes and scores.

—WILLARD L. HAMMER

EDITOR'S NOTE—This material is gathered from the many sources to which **NATION'S BUSINESS** has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

THE LEADERS "THERMETER" THEIR GAS



The executives of industrials that are "out in front," search out new economies, new operating and product betterments all the time. In gas, that better way is a more accurate B. t. u. "count." True gas quality and operating economy can only be determined by continuous accurate measurement of heating value.

So today, among progressive plants, there is a steady trend toward THERMETER, that recent Cutler-Hammer development which is upsetting all previous practice. The THERMETER is an outgrowth of the Cutler-Hammer equipment which serves giant utilities and great users of gas so well. It measures the heating value of gas accurately, instantly, continuously and automatically. It requires no calculations or corrections for temperature, pressure and humidity variables. It writes its record on a high-visibility graphic chart. It is priced so low that even the smaller users find it a profitable investment. For more accurate measurements of the gas you sell, buy or use, write or wire for complete details. CUTLER-HAMMER, Inc., Pioneer Electrical Manufacturers, 1251 St. Paul Ave., Milwaukee, Wis.

THE C-H THERMETER is a modern instrument, compact, low-priced. It offers dependable readings of B.t.u. content in the production or use of various kinds of gases. It requires no manual computations or corrections, and a minimum of upkeep.



**ANOTHER CUTLER-HAMMER CONTRIBUTION
TO THE PROGRESS OF INDUSTRY**

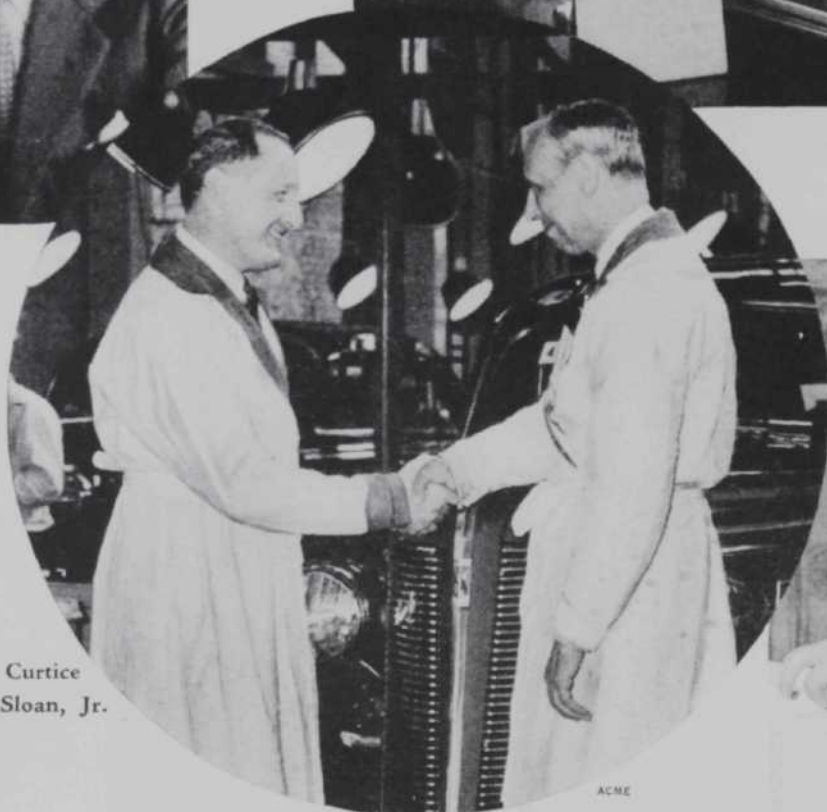
Business Men Say . . .



R. T. Merrill



P. A. O'Connell



Harlow H. Curtice
Alfred P. Sloan, Jr.



Larry E. Gubb

R. T. MERRILL, General Marine Superintendent
Merchants and Miners Transportation Company

"American shipping has had not only to struggle up from the depths of a five-year depression but to do so in spite of the burdens and uncertainties of the Government's shipowning policy, its subsidy policy, its regulatory policy and its labor policy. . . . In the face of this situation the shipowner is practically told that unless he proceeds to build tonnage regardless, the Government will feel obliged to step in and do so, thus inaugurating a new period of government ownership just as the last one was disappearing. . . . The experience of all nations with state-owned shipping was sufficiently unfortunate to require that advocates of the experiment base their case upon sounder grounds."

LARRY E. GUBB, President
Philco Radio & Television Corporation

"Prosperity isn't just around the corner. It is here for those who will go out and get it. In a recession year, Philco is planning the expenditure of millions for the biggest expansion, advertising and sales campaign it has ever had. . . . There are three requisites for business to achieve the prosperity that is inherent in this country. They are new ideas, new products and courage. Since the beginning of commerce, people have bought the things they wanted. It calls for real enterprise, not a defeatist attitude, to invent and produce the new things they want to buy."

P. A. O'CONNELL, President
E. T. Slattery Company, Boston

"The outlook for business today is more encouraging than it has been for some time, but let us not repeat the mistakes of 1937, when every one tried to beat the gun and loaded up with inventories that in some instances have not yet been liquidated. Profits are made on turnovers and lost on hangovers."

HARLOW H. CURTICE, President
Buick Motor Division of General Motors Corp.

"The clamor in recent years is altogether about the rights and liberties of citizens; less and less is heard about their responsibilities which alone make rights and liberties possible. Vast numbers of citizens have delegated their moral and economic independence to others, and have accepted the rôle of a victim or a beneficiary. This whole assumption that people are helpless puppets has been described as the most wholesale degradation of character which the world has ever seen. . . . Be wary of the benefits that do not benefit. Whom do you think the 30-hour week would help? It will really help most the man who works 40, 50 or 60 hours."

A Perpetually New Frontier

By H. E. HOWE

INDUSTRIAL chemistry has grown spectacularly since the war; but it still offers a wide field for those adventurers who will pit their skill against nature

FREQUENTLY in discussions of business cycles with their recurring periods of depression, reference is made to the disappearance of the frontiers which formerly provided outlets for an expanding population. The influence of such frontiers upon recovering a normal situation has been explained in detail, but little thought has been given to the fact that in chemistry, the industry founded upon it, and the many chemical processes used throughout all industry, we have a frontier that is perpetually new and always calling upon adventurous spirits.

There is nothing mysterious about this because chemistry deals with fundamentals and because industry is devoted to the production of things made of the materials to which chemistry, with physics and mathematics, holds the key. Science in industry is relatively new. For that matter, as Jeans has pointed out, sciences of all sorts are new. Whatever figure you may put down as representing the tenure of the human race on the earth, recorded history is little more than 5,000 years old; authentic records probably not more than half that age; science as we recognize it perhaps two centuries old; and the accumulated benefits of what has been done in these 200 years have poured out upon the world in the past 50 years. In fact, although the chemical industry had its beginning in the United States 100 years ago in a certain sense, it is really younger than that because of its rebirth with the World War.

We are dealing then with a factor that is so recent in American industry as still to be little recognized in many quarters where it might do the most good. We shall avoid discussion of

chemistry as such and rather present some facts concerning the industry in terms of its accomplishment.

The chemical industry is a big industry. In 1935, according to statements of the Treasury Department, manufacturers of chemicals and allied products reported sales of \$7,418,000,000 which was 15.55 per cent of the grand total of \$47,700,000,000 given for all manufacturing industries. This volume of sales was exceeded only by metals and metal products—where the prices of gold and silver come into play—and foods and kindred products, which is a composite of all manufactured foods.

It is also a steadily growing industry, as reflected by the increasing number of establishments



The yacht, *Ranger*, America's cup defender, carried a quadrilateral jib more than 4,000 square feet in area made of "Cordura" rayon

and the huge expenditures made by some of the leaders. One of these has spent an average of \$2,500,000 a month for construction for ten years, while a single unit in the industry invested in 1937 some \$17,000,000 in a single one of its plants.

The industry also has a splendid dividend record, holding up well throughout the depression. Indeed, this record is a source of pride to those connected with it, and the same can be said for the industry's record of employment, including hourly and weekly wages paid.

The industry has a larger percentage of its employees on a salary basis than industry as a whole, and its investment per worker averages more than \$8,000. The industry strives constantly for increased production, making its profits on a large number of units at progressively lower prices rather than on fewer units sold at higher prices.

Records abound to show the result of this philosophy, with examples in the all-important field of pharmaceuticals clear on down to materials of such everyday use as Cellophane. This story

Back of Addressograph

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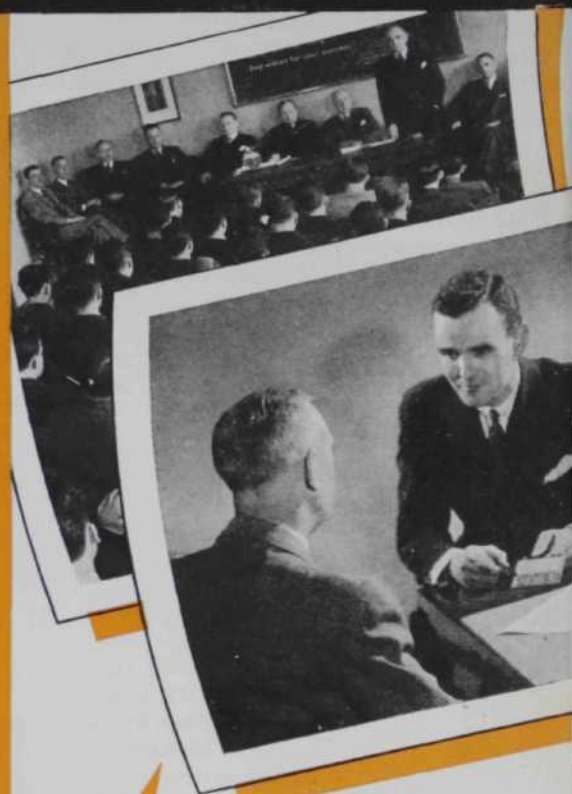


ADDRESSOGRAPH is the star performer wherever names of persons or things, with addresses, descriptions or other information, must be copied on forms, records, reports or communications.

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Thoroughly trained and competent Servicemen who have passed rigid factory training requirements, are available wherever you are, to maintain your machines at top notch efficiency. Their knowledge of Addressograph uses and their familiarity with new mechanical developments will help you derive the maximum money-saving benefits from your Addressograph investment.



Certified Products and Supplies

High quality, dependability and utmost economy are obtainable only through the use of Addressograph methods in their entirety. Included are typing units, supplies and auxiliary equipment, designed by the originators of Addressograph methods. Complete stocks of these items, carried in your local Agency, represent a wealth of technical research, skilled workmanship and precision machinery that are combined to produce them in the largest plant of its kind in the world.

Wherever you are, these helpful services are nearby



To maintain close contact and to provide convenient facilities for all these services, Addressograph Sales Agencies have been established in principal cities throughout the world. The address and telephone number of your nearby office will be found in telephone books under the heading: "ADDRESSOGRAPH

SALES AGENCY." It is your only authorized distributor of *certified* Addressograph products and services. Arrange for a practical demonstration, or write on business stationery to the Home Office at Cleveland, for complete information concerning Addressograph methods and services.

ADDRESSOGRAPH SALES AGENCIES in principal cities throughout the world

ADDRESSOGRAPH-MULTIGRAPH CORPORATION • Cleveland, Ohio

ADDRESSOGRAPH-MULTIGRAPH OF CANADA, LTD., TORONTO

has often been told, but it bears repetition.

Since Cellophane was introduced about 1923, there have been 18 voluntary price reductions. Reduced prices have meant wider use, increased production, lowered costs of manufacture, and the cycle then returns to lowered prices to consumers who share in the saving which has been made possible.

The industry is dedicated to change. Having perfected a process or a product, it does not sit down and fight for the *status quo*.

It expects and plans for rapid obsolescence. It is prepared to make the most of new equipment and cheerfully scraps the old when it is clear that a real advantage is involved.

The cheerfulness with which expensive devices were replaced when non-corrosive alloys became available is an example. The investment was substantial, but the longer life of the new alloys and the improved purity of the products that could be made with them made only one decision possible. The chemical industry believes the best is ever yet to be, and continually applies research to attain it. Some companies have spent as much as 20 per cent of their gross sales supporting research projects, and the average for the organic and inorganic chemical industries approaches four per cent of gross sales devoted to research.

Realizing that abundant, cheap raw materials have been the basis of the industry's greatest advances, executives are alert for unexpected and new developments of the same kind. Coal and coal tar, salt, and sulphur are ex-

amples of such raw materials. What will be the next?

One group believes glycerols, which may be obtained in great quantities from such cheap materials as cottonseed oil, may be one of them.

The recent perfection of the molecular still gives some promise that this may be true. Here is a device, working under high vacuum, which is already commercially producing a highly concentrated vitamin from fish oils and is capable of separating a number of substances in accordance with the size of the several molecules present.

Finding uses for many things

SOME of the products thus made available in commercial quantities are unfamiliar as raw materials because heretofore they have been rarities. How can they be used? We must wait and see.

That is another characteristic of the chemical industry. There is ample evidence that, if a material can be produced in quantities at an attractive price, a good use will be found for it. It may be unexpected but in time it is developed, though the direction of that development cannot be foreseen.

For example, when bromine was first prepared in the United States it found its greatest utility in medicinals and in photography. It was the development of tetraethyl lead for use as an anti-knock agent in gasoline that made so great a demand for bromine that new sources had to be found. This led to the spectacular work culminating at Kure Beach, N. C., where many hundreds of

thousands of pounds of bromine are now procured from the sea each month.

If such discoveries are far-reaching in the chemical industry itself, they are equally far-reaching with industry in general. There has been a continual succession of synthetic resins or plastics. Now there are many hundreds of trade-named resins with characteristics that suit them, in most cases, for some special application, with competition keen where they encounter other members of the family.

The earlier synthetic resins were always dark in color and the limits within which they could be worked and used were comparatively narrow. Today we have resins that compete with glass where abrasion is a secondary consideration, for the surface is not as hard as glass. We find pastel shades and working conditions which make it possible to choose a resin to suit. The succession of resins used in the manufacture of safety glass will serve to illustrate the point.

The first of these sandwiches used cellulose nitrate between the sheets of plate glass. This was displaced by cellulose acetate, because of its superior qualities for the purpose. But this did not come until a method had been found for producing cellulose acetate continuously in sheets. Then acrylic resins and vinyl acetate made their bid for the business, based on ease of handling and somewhat greater flexibility at low temperatures.

Now vinyl acetal, completely produced from acetylene through vinyl acetate and acetaldehyde, is competing for this expanding business. What is



The chemical industry has aided distribution of many products by providing special linings for truck and railroad tank cars. These are wine tank cars finished inside with Bakelite varnish

needed is something that will provide protection at the lowest temperatures at which an automobile, for example, is operated, which can be applied with the minimum difficulty, which retains its visibility without discoloration throughout its service life, and which offers no problems where the jobber must cut and fit the glass to a particular job.

Frequently research which has led to a new commercial product must be continued to find uses for it. The new sulphamic acid is such a chemical, but already its future seems bright. New and additional facilities for producing elemental phosphorus by a new process

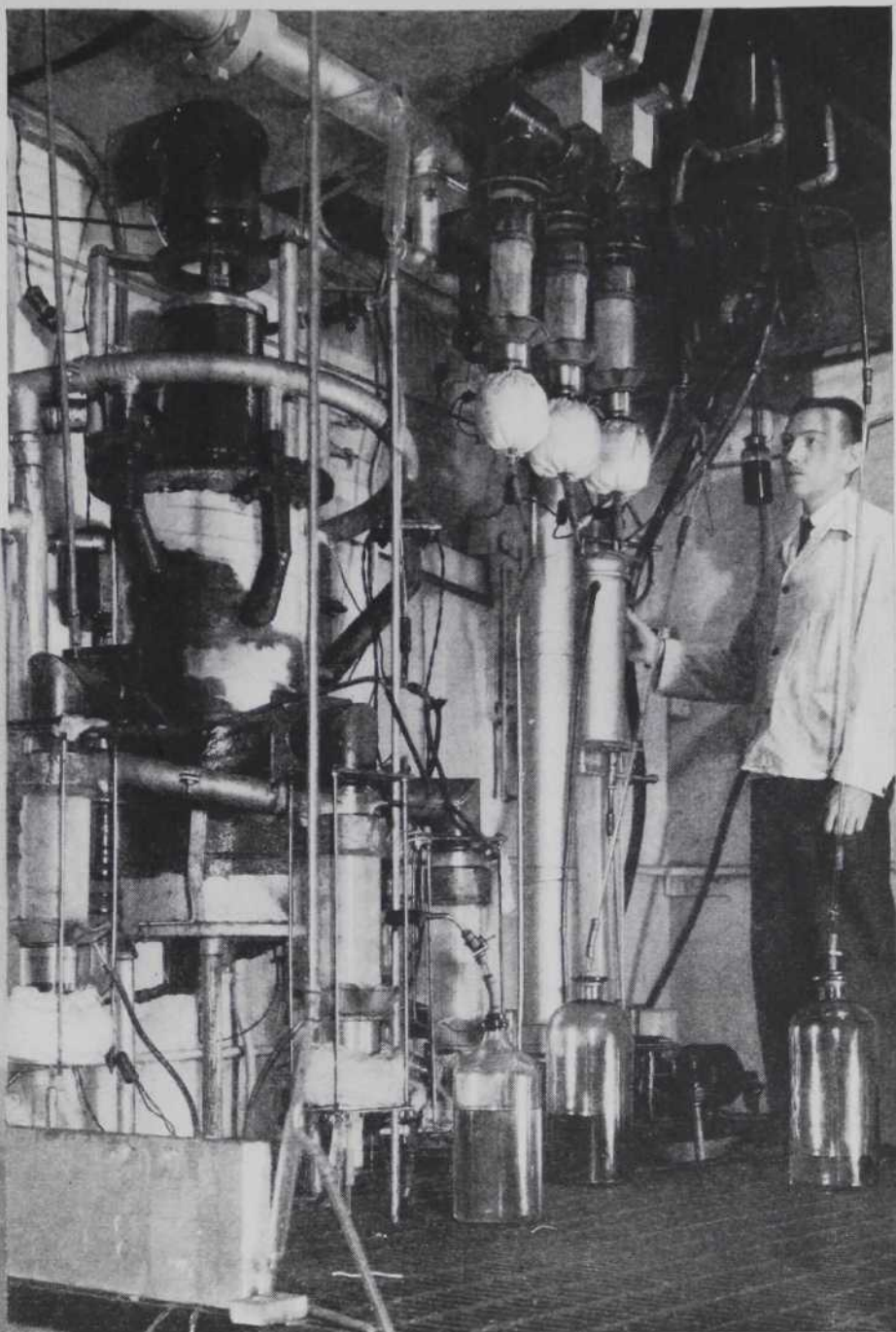


Plastic trim on hat, sleeves and girdle and Pyralin coated heels from chemistry

GÁBOR ÉDER

from phosphate rock offer something of the same problem and will doubtless be solved by devising compounds of phosphorus in new forms and in abundance at prices which will attract new uses.

The interesting Fiberglas, which has come within the past two or three years, is a further example where uses in the electrical industry for insulation



A molecular still which is used to obtain vitamins from fish oils and separate substances according to the size of their molecules

and in the chemical industry as a filter medium and for diaphragms promise an outlet, but many other uses are sure to be discovered as the result of continuing research and development.

Indeed, use may emphasize development along an unexpected line. Pliofilm is a transparent material made from a rubber hydrocarbon, and, when devised, it was thought that it would find its greatest use as a competitor with other moistureproof wrapping materials. It does have its place in that field, but clever merchandisers with courage and good ideas saw in it a material for a line of products reach-

ing from waterproofs to food savers, that so far has used most of the production. More than 90 items already compose that line.

Research is well planned

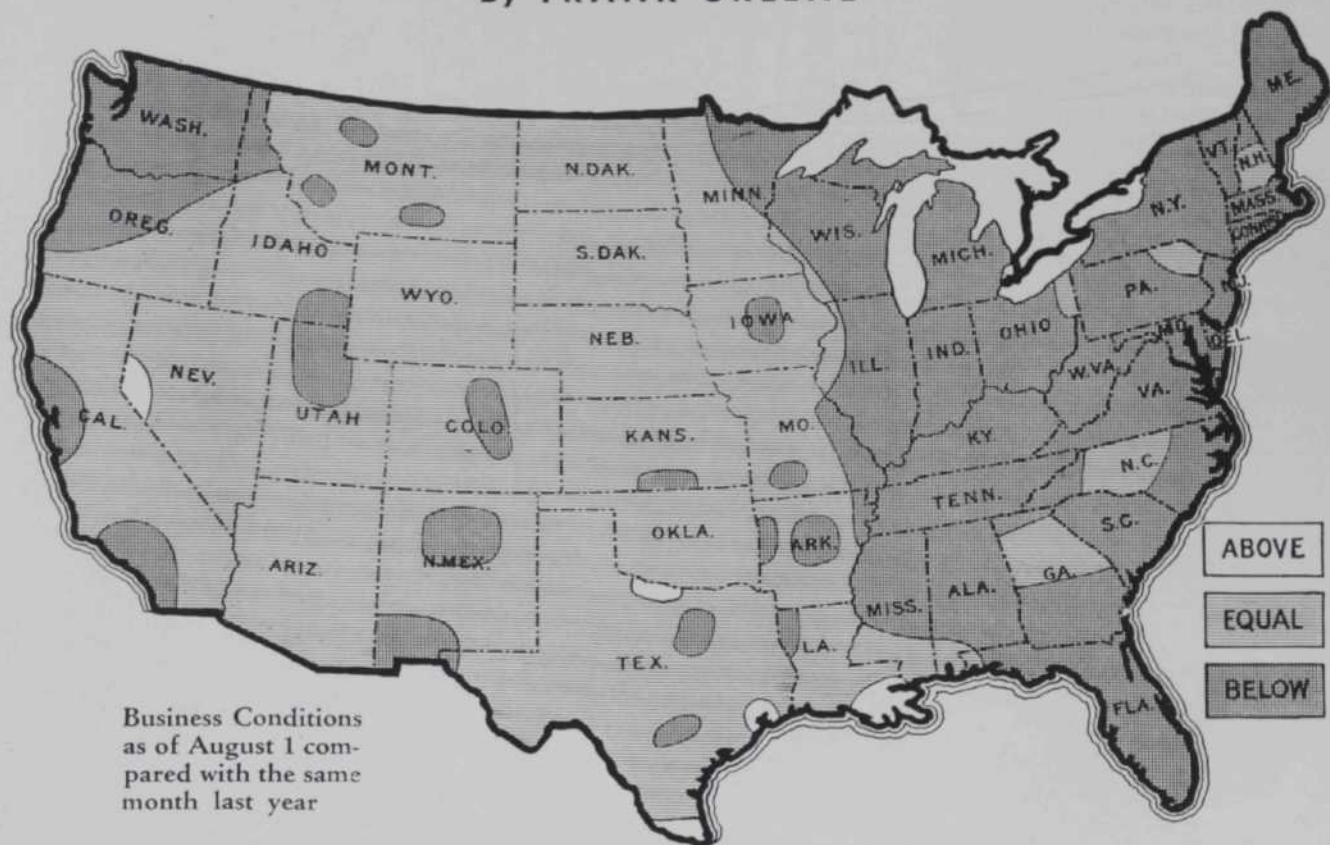
THE INDUSTRY also conducts research as well planned as is any military campaign for a definite objective. Kemite, a new ceramic material for table tops, sinks, and other uses, is an example. The synthetic rubberlike materials are another.

In the latter instance it is a subject of world-wide importance; in America because things like Thiokol and Neo-

(Continued on page 84)

The Map of the Nation's Business

By FRANK GREENE



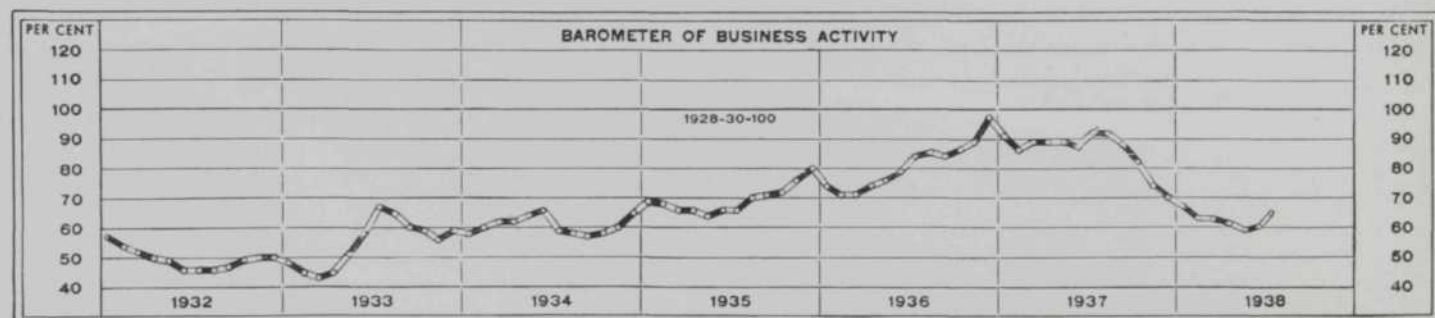
JULY SAW continued improvement, with stock market volume the largest in five years and prices the highest since October. Commodities were firm, excepting grains and cotton. Wheat dropped to new five-year lows. Steel ingot production reached a new peak while steel scrap was pushed above \$14 per ton.

A gradual contra-seasonal improvement appeared in manufacturing, led by shoes, textiles and lumber. Automobile production fell off less than seasonally, accompanied by active sales of used cars.

Retail trade, although retarded in some sections by rainy weather, continued the improvement noted in June. Inventories at both wholesale and retail were reduced, as buying for fall trade became more active. Eastern railroads received a half-cent per mile fare increase, and highest rail revenues of the year appeared probable.

Bank debits and bank clearings were disappointing at about 15 per cent below July, last year, while business failures were 60 per cent more numerous than a year ago.

Although grain prices declined, enlarged crop yields tended to give a rather more cheerful tone to central western areas which suffered severely from drouth in previous years



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

Contra-seasonal improvement in some of the major industrial lines during July was evidenced in a further sharp rise in the Barometer to the highest level since last January.

This PLAN Nearly 200 Years Old SAVES MONEY FOR YOU TODAY



• Mutual fire and casualty insurance is not new. It is, in fact, older than any other form of insurance, yet its soundness *and economy* are attracting thousands of new policyholders.

The aim of Mutual insurance is to reduce the cost of the insurance by reducing the losses. This result is brought about by care in selecting risks and by active and intelligent prevention work. The saving resulting from these measures is passed on to the policyholders.

The leaders in Mutual insurance are to be found in the American Mutual Alliance, composed of 100 selected fire and casualty companies—with an average age of 49 years—and total assets of more than Two Hundred Million Dollars.



This seal identifies a member company of the American Mutual Alliance. It is a symbol of soundness and stability.

THE AMERICAN MUTUAL ALLIANCE

919 North Michigan Avenue, Chicago, Illinois

THE NATIONAL ASSOCIATION OF
MUTUAL CASUALTY COMPANIES

THE FEDERATION OF MUTUAL
FIRE INSURANCE COMPANIES

There is No Monopoly on



PHOTOS BY HARPL

Coble E. Grimes (left) scans the reports of sales from his retail market stands in 20 different cities



An old Albright College building serves as living quarters for 72,000 chickens. Milk cows are a by-product of chicken business



Chickens ready for slaughter on second floor of butcher shop. They are killed here and sent down chute to processors below

ABOUT 18 years ago, when Coble E. Grimes was only 17 years old, his failure to sell 10 dressed chickens led to the establishment of a new enterprise in Fredericksburg, Pennsylvania.

He had failed to sell 10 of his 25 chickens at market stand. Rather than take them home, young Grimes cut up his 10 chickens into legs, breasts, wings and backs and offered to sell any part to the few straggling customers who remained in the market. To his great surprise the choice parts were snapped up by eager housewives almost as fast as they were discovered.

He took the less salable parts such as wings and backs to a restaurant, made a bargain price, and went home to his father bragging that he had made a complete sell-out.

That was the beginning of the cut-up poultry business for Mr. Grimes. Today he has a plant in Fredericksburg that employs more than 80 men and women. He sends out more than 20,000 dressed chickens weekly to his 20 retail outlets through the east, including New York and Washington, D. C. His experimenting with sales outlets included ten cent stores which proved satisfactory enough to encourage his purchase of concessions in several where the traffic was heaviest.

Until about five years ago he had no competitors in the field, but the popularity of cut-up poultry demanded recognition from other meat and food merchants who had originally scoffed at his ideas.

The principal building in Grimes' plant is an old Albright College structure. He raises 72,000 chickens in this one building and 35,000 more on neighboring farms. Barred Rocks and New Hampshire Reds are the only varieties he grows. He buys day-old chicks every week, raises them to three-, four- and five-pound sizes and slaughters them when from 9 to 13 weeks old.

Chickens become a standardized product

GRIMES maintains that he grows and dresses his own poultry so that he can guarantee his merchandise.

By controlling his raw product and feeding them his own choice of food, he knows how they will taste when broiled, fried or stewed, how long it will take for cooking, and is assured of a uniform product—all of which helps to prevent customer complaints.

Experience and experiment have taught the proprietor how to improve his product in accordance with his customers' demands. For example, he believes that feeding yellow corn to his chickens improves the deep yellow tinge of the skin. He feeds only one brand of prepared chicken feed, in addition to cracked corn and buttermilk. He uses automatic drinking fountains and uniform heat in all his buildings. He discovered that by feeding buttermilk daily he did not have to use poultry remedies or employ a veterinarian to care for his stock. The health of his flock is also guarded by his policy of disposing of every chicken before it is 14 weeks old.

His poultry slaughter house is equipped with the best equipment he can buy. Live chickens are delivered to the second floor where they are fed and housed until ready for the butcher.

New Ideas

COBLE GRIMES founded a thriving business when he cut up his unsold chickens and sold the parts to unbelieving customers

They are killed as needed, dropped down a chute to the dressing room where they are scalded, picked, washed, drawn, cooled and put on a track, weighed, packed in barrels of ice and placed in a refrigerated room. The next morning they are hauled by truck to the Grimes retail markets along the eastern seaboard.

As his business grew, Grimes trained his help in his own way and helped them grow up with the business. He is partial to neither city nor country boys—both types have fitted into his organization satisfactorily. Thirty of his 80 employees handle the raising, slaughtering and preparation of his product for the market stands.



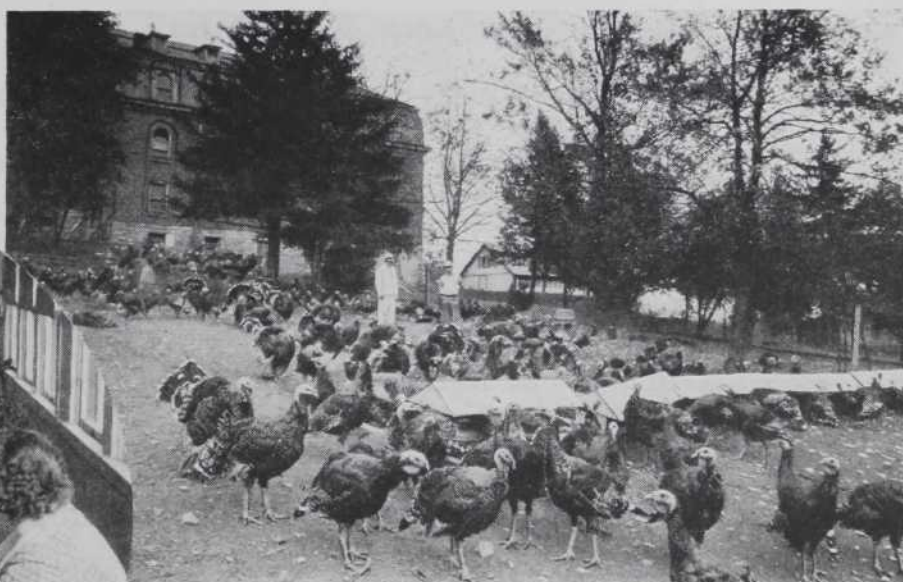
Five-weeks-old chickens are getting fat in one of the old college building rooms. In a few more weeks they will go to market as cut-up poultry



All of the employees accept meals as part of their wage

Practically all of his employees, including those in the retail markets, receive their meals as part of their pay. Grimes has made that point an important part of his business. To provide milk for his boarders, he bought a few cows and later enlarged the herd to 90 so that he could operate a milk plant in nearby towns. On 140 acres of farmland he not only raises food for his poultry and cows, but also for his boarding tables.

He feeds 350 hogs from the waste of his poultry business and whatever surplus he has left after satisfying his own food requirements is sold on the hoof.—FRED E. KUNKEL



Turkeys have been added to the Grimes list of products. He sells them the year round, but not in cut-up portions



Dressed poultry, packed in barrels of ice, is loaded from slaughter house each morning and shipped by truck

The better world of tomorrow will belong to the youth of today

The New York World's Fair of 1939 will commemorate the one hundred and fiftieth anniversary of the inauguration of George Washington as President of the United States of America by interpreting the World of Tomorrow.

During the century and a half that we have been an independent nation, the people of the world have been given more of the comforts and conveniences of life than were given to them during all the preceding years of civilization.

Our scientists, inventors, engineers, business leaders, financial people, professional men, labor leaders, farmers, government representatives, artists, educators, and all others in every walk of life are developing higher standards of living and a diversity of intelligence which will give our country a prominent place in the better World of Tomorrow.

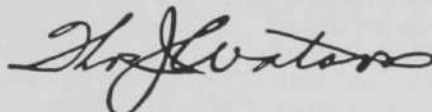
As we move ahead, we must remember the importance of

tolerance in industrial, financial, labor, racial, religious and political relations and encourage individual thought and enterprise.

We are part of the world and we must shape our policies and our program to fit in with those of other countries wherever we can do so with mutual benefit. A fine example of what can be done in this direction is furnished by the International Chamber of Commerce, which seeks world peace through world trade.

In the World of Tomorrow the coming generations of all nations will be able to add important contributions to the improvement of living standards and the progress of civilization generally.

The better World of Tomorrow will belong to the youth of today. The New York World's Fair will afford an opportunity for the young men and women, the boys and girls, to visualize what the World of Tomorrow will mean to them and will encourage them to prepare to do a better job than has been done by any previous generation.



PRESIDENT, INTERNATIONAL BUSINESS
MACHINES CORPORATION

World Headquarters Building
590 Madison Avenue, New York, N.Y.



Advertising drove the cat out of the cracker barrel and put food into packages

Advertising—Master Builder

By CHARLES COOLIDGE PARLIN

WHO pays for advertising? How long should a man advertise? Do advertised goods cost more? These are a few of the questions this expert answers for you

ASK ANY man whether he reads advertisements and the only uncertainty about his answer will be in his variation of the general affirmative. But ask him whether he believes advertising is worth its hire and like as not you've started an argument.

With the nation at large and the business community in particular groping for a dependable way out of the recession, the idea that printed salesmanship could provide the economic tonic so persistently sought gets scant attention from public and private prescriptionists.

Of course, it would not be fair to regard the current apathy or antipathy toward advertising as new.

When I began a study of advertising 26 years ago, I was disturbed to find that the Political Economy departments of some of our major universities were teaching that advertising was an economic waste.

There were two schools of thought

which started with opposite premises and reached the same conclusion. One school of thought said:

"It is economically undesirable to create new human wants and, since ad-

vertising creates new wants, it is wasteful."

The other school said:

"The creation of new wants is desirable, but advertising is not the most



Kickapoo Indians sold remedies at a dollar a bottle

*New York's First Bank
Established 1784*



*Personal Trusts
Since 1830*

A leading fiduciary since 1830,
serving in all personal and
corporate trust capacities

EXECUTOR . . TRUSTEE . . CUSTODIAN
CORPORATE TRANSFER AGENT and REGISTRAR

BANK OF NEW YORK

48 Wall Street — New York

UPTOWN OFFICE: MADISON AVENUE AT 63RD STREET

efficient way to create new wants; hence it is wasteful."

I researched a bit among students to see how these doctrines were taking hold. The students said, "Only the 'prof' believes his thesis; the students believe in advertising."

I tried to find out whether advertisers would be dissuaded from advertising by the economists' teaching. One advertiser said:

"I hope the economists convince my competitors. If my competitors will surrender the advertising field to me, I can make more money."

Whether or not economists are still lecturing to unbelieving students that advertising is an economic waste, at least it is certain that today many of the great colleges are offering courses in advertising and that thousands of students are eagerly studying the practical side of advertising.

While on the subject of economic waste, may I say that in 1913 economists and others expressed much concern because so much money was being put into automobiles which would quickly become obsolete. They feared that national resources would be impaired. What they failed to see was that desire to own and operate an automobile was one of the greatest economic urges that ever came into human life. Men worked harder that they and their families might enjoy the greatest pleasure-giving invention of all time.

The economic curse of any nation is laziness, the desire to consume without earning. The road to wealth for a nation is to be found in enthusiastic work to attain coveted things. Advertising, by creating desires for new things, has produced enthusiastic endeavor on the part of millions and from that endeavor has come the marvelous development of our national wealth.

Twenty-five years ago many a manufacturer asked me, "Does advertising pay?" Few manufacturers today ask that question. The evidence is overwhelming.

The survivors advertised

A CHART is in existence called "After the Battle" which includes the names of 1,148 makes of passenger cars which made a bid for a place in the American market, with a little red line through the name of each make that is no longer produced. Twenty-six of those cars have survived and the amount invested by those 26 in national magazine advertising in the past five years totals \$32,791,440.

Although I believe that national magazine advertising is an important reason for the survival of these 26 makes, I will not argue the point. I will merely say that which no one can dispute:

That, in the most severe struggle for the

survival of the fittest ever staged in American industry, the fact that these companies spent such a large sum of money in national magazine advertising was not a sufficient handicap to put a red line through their names.

One other illustration: Canned tomatoes have not been nationally advertised. In a survey of 3,123 pantries we found 370 brands, and the largest number of pantries in which any one brand was found was 54. But put the tomatoes in other cans and call the product "Soup," and the picture changes. Only 84 brands were found in the 3,123 pantries, and one nationally advertised brand was found in 864 of them.

In a sales meeting a quarter of a century ago, a salesman shouted, "Who pays for advertising?" To that salesman I replied:

The consumer pays for advertising. The consumer also pays your salary and every other sales and manufacturing cost. But if by your question you mean to ask, "Does an article cost a consumer more because it is advertised?" my answer is that it does not. Advertising is the least expensive method of selling a good product.

Today we have abundant evidence that that answer was correct. Manufacturers, through advertising, have increased volume, lowered their costs and reduced prices to consumers.

In the past 25 years, the \$1,500 advertised automobile has become a much finer automobile at \$600; the \$50 ad-

vertised camera has become a superior one at \$17.50. The advertised box camera at \$8 has become an improved camera at \$1; the 25 cent can of advertised soup has become a better can of soup at ten cents. In 1910 an advertised tire that would run 2,500 miles cost \$25—a cent a mile. Today an advertised tire costing \$12 frequently runs 25,000 or even 30,000 miles—about 1/25 of a cent a mile.

Advertising improved our living

IN 1922 a few thousand people with radio sets costing from \$100 to \$500 could startle their friends by a voice over the ether; today more than 20,000,000 homes have radios. Oranges, which a few years ago were presents in the Christmas stocking, today are a staple item of food, and millions of babies daily enjoy their glass of orange juice.

Thus one might go on mentioning vacuum cleaners, long-distance telephone rates and an almost endless list of commodities and services.

Advertising has transformed American life. Advertising got the cat out of the cracker barrel and brought about the modern grocery store with its food in sanitary packages. Advertising rescued the housewife from drudgery by telling her of labor-saving devices. Advertising saved countless lives by sell-



In 1913 economists expressed concern because so much money was put into automobiles that would quickly become obsolete

More for your MONEY in the ROTO SECTIONS

Kimberly-Clark Corporation
Established 1872 • Newark, Wisconsin
CHICAGO
8 South Michigan Avenue
LOS ANGELES
510 West Sixth St.

• If your advertising budget has been made top-heavy by the need for an extra appropriation to merchandise your campaign to the trade, you'll be interested in the statement that the L. E. Waterman Company gives on the next page.

Rotogravure makes such extra appropriations unnecessary because its circulation is concentrated in the markets where buyers, dealers, and dollars are concentrated and hence blankets retailers just as effectively as it does consumers. Add to this, the higher visibility rotogravure brings to the advertising placed in it, and you have the reason why leading manufacturers whose sales depend on the co-operation of retailers are investing 100% more of their appropriations in rotogravure than they did five years ago.

DEALERS CO-OPERATE ENTHUSIASTICALLY WITH OUR ROTOGRAVURE ADVERTISING

A WATERMAN'S STARTS

Quick as a
Flash!

AND IT'S THE IDEAL
GRADUATION GIFT

Choose from three smart and practical Waterman's Graduation Gift Specials a lifelong remembrance for the boy or girl about to receive a diploma. Here they are—just as you'll find them at your dealer's. And remember...these are Waterman's writing instruments! For more than a half century, they've been school and college favorites. Students today particularly prefer them for Waterman's fast-starting 14-K Gold Super Point, tipped with hard and costly iridium. It goes through 80 separate manufacturing operations before being finally hand-polished to perfection under a magnifying glass. Give a fast-starting Waterman's—the pen of TOMORROW today.

No. 3...A fine writing instrument available in attractive colors. Sizes for men and women. Pen, \$3.00. Matching Pencil, \$1.25.



DE LUXE INK-VUE SET...An attractive gift package. Colors: Emerald-Ray, Copper-Ray and Jet. The set, \$12.50; pen, \$8.50; matching pencil, \$4.00.

LEVER FILLING

No gadgets. Still the most practical and efficient mechanism—and the easiest to operate.

INK-VUE

You know always when to re-fill with this perfected Visible Ink pen—no guessing. Size for size, Ink-Vue holds more ink than other make pens.



WATERMAN'S FAST-STARTING INK!

Illustrated is the convenient "Tip-Fill" bottle...you get every drop! 2 oz. at 10c. Washable and Permanent types.

PERFECT POINT

If you could see a Waterman's point under a microscope, you'd marvel at its mirror-like smoothness. It simply cannot falter or scratch!

The fast-starting pen

Waterman's

L. E. WATERMAN CO., New York • Chicago • Boston • San Francisco • Montreal

NEW YORK

CHICAGO

BOSTON

SAN FRANCISCO

MONTREAL

LONDON

L. E. Waterman Company

Waterman's ~~14-K~~ Fountain Pen

191 Broadway, New York, N. Y.

December 23, 1937

Kimberly-Clark Corporation,
8 South Michigan Avenue,
Chicago, Illinois

Gentlemen:

Rotogravure, to us, meant an opportunity to do two outstanding things:

1. Stimulate dealer interest to a high pitch, with resultant strong local tie-ups in key American markets.
2. Get across a fast-moving copy story, largely photographic, with resultant strong sales support in these markets.

We accomplished these two objectives entirely to our satisfaction. Dealers everywhere co-operated enthusiastically. Sales more than met expectations. Rotogravure again plays an important role in our plans this year—which is the final answer as to our confidence in its force and effectiveness.

Yours very truly,

L. E. Waterman Company

New York

Frank L. Waterman

Kimberly-Clark Corporation

NEW YORK
122 East 42nd Street

Established 1872 • Neenah, Wisconsin
CHICAGO
8 South Michigan Avenue

LOS ANGELES
510 West Sixth Street

ing better refrigeration, by getting dust out of homes, by promoting health-giving foods, by suggesting more healthful clothing, better beds and better ventilation.

Advertising convinced each of us that an automobile was made for him and that we, ordinary citizens without engineering training or special aptitude in mechanics, could drive a powerful engine on the highway. Thus a continent was transformed by the building of \$2,000,000,000 worth of fine highways, and today more than half of all American families enjoy individual transportation second only to the magic carpet of the sultan's dream.

"But," says the skeptic, "would this not have come without advertising?"

To which I answer:

Without advertising such changes would have come slowly, if at all. It was advertising which created in the minds of the masses the thought that new products were intended for them. It was purchases by people induced to buy through advertising which lowered costs and brought prices within reach of all. Thus it was advertising which, within the memory of men not yet 40, produced a revolution in better living such as had not occurred in centuries.

Yet, in spite of its marvelous achievement, advertising still has its doubting Thomases and its detractors. With some of the grumblers the reason is physiological. I asked a friend why Mr. X was opposed to advertising.

"No one," he replied, "can believe in advertising who has indigestion."

Some skeptics are concrete-minded.

"Show me with pencil and paper," said a banker one day, "exactly what my company will get out of these 12 advertisements."

I replied:

When your boy returns from high school tonight, ask him to show you with pencil and paper what he got out of the day in school. You will have difficulty in finding an adequate return for a day of his life and a few dollars of your money. Shortly he will go to college. At the end of the first year, ask him to show you what he got out of the year. You will have difficulty in seeing that his accomplishment was worth a year of his life and \$2,000 of your money. Yet I believe that, if your son will apply himself faithfully for four years in college, he will get out of it that which will be well worth four years of his life and \$8,000 of your money. So with advertising. Advertising is a process of education. To understand advertising, as to understand education, requires a vision of the intangible.

Advertising needs time and continuity. You cannot, by any method of feeding, bring a ten-year-old boy in one year to man's maturity. You cannot, by any process of cramming, give a boy in six months the equiv-

alent of four years' intellectual growth in college. Nor can you, by a brief series of advertisements, get that thorough confidence of the public that can be won by consistent effort over a period of years.

How long should a man continue to advertise? As long as he wishes to hold a market, because a manufacturer is selling, not a standing army, but a parade. Every 33 years a generation of buyers marches out and a generation of prospects marches in.

Are there any products which should not be advertised? No product should be advertised which cannot stand the full blaze of publicity. Only those products can be successfully advertised which have merit and give a good value for the price charged.

Advertising doesn't raise prices

SOME critics of advertising cite exceptional instances. For example, they point out that advertising enabled an advertiser to charge \$5 for a safety razor. They are wrong. Not advertising, but patent protection made possible the \$5 price. As soon as the patent expired, the price dropped. Advertising, to be sure, did persuade many people that it was better to part with \$5 than to grow whiskers or to shave with an exposed blade. This was sound teaching. Most of us would, if necessary, again part with \$5 rather than return to whiskers or to an unprotected blade.

Again, some say that advertised drug products sell for more than the cost of the ingredients justifies. This situation is not caused by magazine advertising. Before magazine advertising attained any importance, Kickapoo Indians sold their remedies at \$1 a bottle and there was no other band of Kickapoo Indians around the corner selling the bottle for 59 cents.

Advertising, like electricity, is a power. Hence, like electricity, it may be applied to beneficial or to dangerous uses. To protect the public against an improper use of advertising is a duty of advertising media and is also a proper function of government. Manufacturers and their trade associations are spending millions to improve the quality of their products. To protect those who are making sincere efforts to serve the public well against the competition of unworthy goods is in the public interest.

But may I say with pride that, long before there was agitation for a Pure Food and Drug Act, Mr. Curtis excluded from his publications products which he deemed unworthy, and may I further say that, for many years, some leading magazines have read carefully every piece of copy offered them and have checked its accuracy.

Furthermore, may I add that, in

most lines, advertising tends to police itself. It costs so much through advertising to bring in initial purchases that no one can afford to advertise nationally a product which does not win repeat customers.

Some argue that products as good as the nationally advertised products can be bought for less. But the consumer is not certain that things offered as "just as good but cheaper" really are equal in quality to the advertised products. The consumer pays a premium to insure his automobile and his home against mishaps and is willing to pay something to insure his purchases against uncertainty as to quality. He believes that advertised goods have excellent quality. In this he is correct.

Because, essentially there are two methods of selling—quality and price. Quality is useless unless recognized. The world is too busy to hunt out the best manufacturer of mousetraps. It expects the man who makes a quality mousetrap to let prospective buyers know about it.

Quality becomes necessary

ADVERTISING of quality puts a requirement on the manufacturer to produce ever better quality. Twenty-five years ago a story was current of a man who made poor pies and could not sell them; so he decided to advertise that he made good pies. When he saw a crowd of people coming in response to his advertisement, he suddenly realized that he would be ruined. So he hung out a sign, "All sold out," threw away the poor pies and thereafter made good pies. Probably a manufactured story, but containing a vital truth. From soup to automobiles, leading advertisers have constantly improved their products.

The other method of selling is price, and the almost inevitable result of price selling is to reduce quality.

A person who consistently buys nationally advertised products will live well; he will obtain good quality at fair prices. The person who buys that which is "just as good but cheaper" will frequently have inferior merchandise. Furthermore, he will lack the satisfaction of having that which all know to be standard.

Some critics of advertising have urged government standards as a substitute for advertised brands. A government standard of identity to say what a product must be, to be called "Coffee" or "Vegetable Soup," is sound. A minimum standard of quality, below which goods, if sold, must be marked "substandard," is also sound. Above a minimum standard so far as goods identified by brand on consumer packages are concerned, consumers will fare better with com-

Mr. Gen. Manager

Here's a \$5 a week raise!



Sounds funny to you Mr. General Manager. \$5 a week wouldn't do much for you would it? But to Frank Evans who lives in a small but comfortable house over in the outskirts of town—that \$5 would be the difference between pinch-penny living—and a worry-free existence.

Perhaps you remember a few years back—when a new dress for Mary—new shoes for Jr.—meant going without something else for a few weeks. That's the way it is now with these worthy workmen of yours. They're performing miracles with money. But an unplanned-for emergency occurs. What then? The family must have money to keep out of the red.

Credit for wage earners

At such times the responsible family can borrow at Household Finance on a business-like basis and at reasonable cost. Repayment of the loan is made in 10 to 20 monthly payments which average only about 7% of monthly income. Through this plan Household meets the emergency money needs of thousands of families without bank credit.

Millions learn money management

Household renders another service to wage earners. An educational program in money management and better buymanship shows families how to save on daily necessities, how to get more from limited incomes. Hundreds of schools and colleges use Household's consumer publications for reference and class work.

As an employer or supervisor of employees you will find the full story of Household Finance's service to wage earners interesting reading. Why don't you send the coupon now for illustrated booklets without obligation?

HOUSEHOLD FINANCE

CORPORATION and Subsidiaries

Headquarters: 919 N. Michigan Ave., Chicago

"Doctor of Family Finances"

one of America's leading family finance organizations, with 234 branches in 151 cities

1878 • Completing sixty years of service to the American Family • 1938

HOUSEHOLD FINANCE CORPORATION, Dept. NB-J
919 N. Michigan Ave., Chicago, Ill.

Please send me booklets about Household's family money service without obligation.

Name.....

Address.....

City..... State.....

peting advertisers than under government grades, A, B, C and D, for two reasons.

First, advertisers compete on quality and their products get better and better. An outstanding food advertiser once told me, "I constantly improve my product, but I never tell anyone about it. By the time a competitor learns how to make a product as good as I was making, I am making a better product."

Under government grades there would be no incentive to produce better than Grade A. The aim would likely be to produce the cheapest product which would rate Grade A. This would head off progress toward superior quality and would probably lead to retrogression in quality.

Second, advertisers police themselves. Every advertiser must protect his advertising investment. This he can do only by maintaining quality. On the other hand, government A, B, C and D grades on consumer packages would be likely to prove unenforceable. The original Tugwell bill had a provision which would have led to government inspectors in all food plants. With more than 40,000 food plants listed in the Census of Manufactures, what a bureaucracy! Even with all these inspectors, the differences between Grade A and Grade B could not be made sharp enough to put anyone in jail for putting Grade A on a Grade B product.

Attempts at enforcement would be costly and the consumer would have to bear the expense. Furthermore, the attempts would be ineffective.

Some say that manufacturers did not make good products until compelled to do so by law. Such critics do not know their history. In advance of legislation, individual enterprise stimulated by its own advertising gave us pure food, clean homes, low-priced automobiles. Let individual enterprise lead us on to still better living.

Some critics urge that advertisers are impelled by selfish motives. But an advertiser can attain a selfish aim only through service to consumers, and the greater his selfish ambition the greater the service he must render consumers to attain his ambition.

Some critics say that people no longer believe in advertising. In that they are wrong. A quarter of a century ago we still had with us a generation that had spent a dollar in response to an advertisement and been buncoed. That generation did not believe in advertising. It has been replaced by a generation which has bought advertised products and found them good. Today's generation, whatever it may say with its lips, expresses, in its purchases, its faith in advertised products.

But the critic reads you an exaggerated statement in some advertisement and says, "With such a statement in advertising, no one can be



"He's running for Health Commissioner."

lieve in advertising!" The answer is that readers are sophisticated enough to detect exaggeration. You read one advertisement and believe it; you read another advertisement and are not convinced. Readers are not much deceived by exaggerated copy. But, for the sake of decency, misleading statements should be eliminated.

Finally some critics say advertising costs too much. In a big meeting at Atlantic City a speaker denounced the waste in advertising and, holding aloft a page of *The Saturday Evening Post*, said:

"I see Mr. Parlin in the audience. Mr. Parlin, will you stand and tell this assembly how much the advertiser paid for this page of advertising?"

Advertising is cheap

I SAID, "I will do so gladly. The advertiser paid one-third of a cent. We provided the paper, did the printing, paid the postage, all for one-third of a cent."

He said that was not the answer he wished. To which I replied,

"Oh! You wish to know how much the advertiser paid for 3,000,000 such pages. He paid 3,000,000 times one-third of a cent."

Those who criticise the cost of advertising never reduce costs to so much per home or so much per package. It is because national advertising costs so little per home and per package that it is the least expensive way to sell merchandise.

As one whose recollections go back to a day when I coined the phrase "Commercial Research" and when I pioneered in what is now the great industry of Commercial Research, may I speak a word concerning the important contribution to advertising made by the workers in the Commercial Research field?

In the quarter of a century in which I have directed the expenditure of many hundreds of thousands of dollars for The Curtis Publishing Company, never once has anyone intimated a desire that I do anything other than find the complete truth.

Today by manufacturers, as well as by publishers and advertising agents, serious and extensive studies are being made of advertising and its problems. Advertising faces the facts.

Those of us who have given earnest study for the better part of a lifetime to the problems of American markets have come to appreciate something of the sincerity, the splendid craftsmanship, the enormous accomplishment of the great advertising industry. Advertising has grown marvelously in power and in beneficent service. Advertising has been the chief economic stimulant to the consumer who, in the last analysis, is King.



*Name on request

This Company Saved 39.3%

ON ITS COMPENSATION INSURANCE COSTS

Through Lumbermens

● At the beginning of 1934 a large Massachusetts corporation placed its Workmen's Compensation insurance with this company. Although its past accident experience had not been satisfactory Lumbermens safety engineers after analyzing the causes of the company's previous accidents saw an opportunity to prevent the recurrence of many of these mishaps and to effect substantial savings for the company.

The initial rate of \$9.09 which this terminal paid in 1934 has been reduced until in 1937 it amounted to \$4.66. The \$10,915 which it has saved as a result of the reductions in its initial insurance rate, coupled with dividends of \$4,995, represents a total reduction in cost for the four years of 39.3%.

The Lumbermens Method

In hundreds of firms throughout the country safety-minded employers are effecting substantial reductions in insurance costs through the application of Lumbermens accident prevention methods. Would a Lumbermens survey of the physical hazards in your plant disclose ways of avoiding future accidents? Would an analysis of the causes of your

past accidents reveal opportunities to eliminate pain and suffering among your employees and reduce your overhead costs?

Write today for more complete information about Lumbermens and a copy of the interesting and full-of-facts brochure entitled: "How 10 Corporations Reduced Production Losses by \$133,099."

LUMBERMENS MUTUAL CASUALTY COMPANY

JAMES S. KEMPER, President

MUTUAL INSURANCE BUILDING, CHICAGO, U. S. A.
Save with Safety in the "World's Greatest Automobile Mutual"

MEMO . . .

for Busy Readers

1 • Number of small capitalists increases 2 • Teachers hear students need business education 3 • What business needs is more world's fairs 4 • A contest to make civic affairs intelligible and economical 5 • Big incomes are mostly taxes

An Anchor to Windward

MUTUAL savings banks of the United States at end of June had 15,129,874 depositors, an all-time record. Total included school savings, Christmas clubs, and other special purpose accounts as well as regular savings accounts.

Deposits set another record with \$10,167,241,377, up \$40,860,225 from the first of the year. For the second year deposits passed the \$10,000,000,000 mark.

Assets advanced slightly to a new peak with a gain of \$26,582,316, bringing the total to \$11,527,206,620. Surplus account of mutual institutions declined \$5,293,308 to a total of \$1,313,924,241, within \$6,000,000 of the highest recorded figure. Ratio of surplus to deposits declined one-tenth of a point to 12.9 cents for each dollar on deposit.

Average account declined by \$22.63 in the first half-year to \$672. Average interest rate paid per bank in the 17 states in which mutuals operate ranged between two and two and a half per cent.

Comment of Henry R. Kinsey, president of the National Association of Mutual Savings Banks and of the Williamsburg Savings Bank, Brooklyn, New York: "This backlog of savings is one of our best assurances of safety and progress in the future. It shows emphatically that the average man and woman still strives to provide for his own financial independence. There could be no better cause for confidence than to see this great accumulation of small capital steadily maintained in the midst of trying conditions."

A Call for Teamwork

NEED for teamwork by teachers and business men as seen by the head of the department of business education, National Education Association. Said Miss Lola McLean to teachers convening in New York:

The United States is a business nation. Is not business education therefore of vital importance in the national education setup? To devise a system of business education that should be of the highest value to the individual, as well as to the nation as a whole, it is vitally important that business education and business work together.

If this nation is to get back to business sanity it must do so through inculcating in the minds of students, especially those students who are being trained for business, the right ideas concerning business. The business teachers of America need all the help they can get to develop in their students the right attitude toward business. Business education has always needed the help and cooperation of business. It needs it more today than ever before for the purpose of maintaining and promoting the American traditional policy that this country offers equal opportunity to all and that it is up to each individual, in accordance with his ability, industry and honesty, to create for himself his own place in society.

Tonic Effect of a Fair

DO WORLD'S fairs stimulate business? Answers in the affirmative issue from information provided by the Chicago Association of Commerce with regard to the city's Century of Progress Exposition, 1933-1934.

An aggregate of 500,000 men and women got jobs for periods ranging from several months to two years, some of them permanent.

Construction work to the value of \$50,000,000 was completed before the exposition opened. An additional \$770,000,000 was spent in the Chicago market by the 15,000,000 visitors.

Era of spending created a widespread circulation of money. Chicago bank debits increased by \$1,208,589,000 in the five-month fair period of 1933 against the same months of 1932, and \$1,606,349,000 in 1934 over the similar months in 1932. The 1933 increase was 12 per cent and the 1934 increase was 14 per cent, each over 1932.

Before the fair thousands of tax defaults were on the books. In 1933 and 1934, total of taxes paid into the county treasury increased 28 per cent over 1932.

Room and board receipts of 105 transient and semitransient hotels totalled \$23,000,000 in excess of the 1932 business in the comparative fair months, even with an allowance of 10 per cent increase in the room business, and 155 per cent in the beverage sales of 1934 over 1933. Increase in the number of guests in these hotels was 8,400,000 over the same five months of 1932.

Apartment House and Hotel Associa-

tion, which includes smaller properties and rooming houses, reported that its membership of 531 buildings grossed \$902,000 on fair business alone.

Walla Walla Wins Contest

WALLA WALLA, Washington, wins the interchamber tax economy contest among 59 cities in seven Western states. Contest was sponsored by the Western Division of the National Chamber. Area included Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington. Communities were rated on the cost of local government. Contest was planned to make citizens aware of magnitude and allocation of taxes. Tax situation in participating communities is shown by comparable items in report prepared by the western taxation committee under the chairmanship of Lane D. Webber, tax counsel, Southern California Edison Company, Los Angeles.

Thought behind the contest: "To collect and collate the fiscal facts of local government; to compile and tabulate the results in form and style permitting and suggesting comparable analyses of costs, functions and accomplishments; to break down the mythical mystery that surrounds government and makes of its operations an impenetrable swamp or waste accessible and negotiable only to mental giants and politicians; to arouse interest; and, to educate and excite the people to action in their common behalf."

Objectives: "To make available accurate and startling information, to make such data public and popular, to discover and develop community leadership, able and eager to lead the way back to civic sanity, and to restore democracy in local government."

Surtaxes Soak Millionaires

MILLION dollar incomes, down to a low of 20 in 1932, climbed to 61 in 1936. Individuals who filed returns last year showing net incomes in excess of \$1,000,000 for 1936, reported net incomes aggregating \$107,641,000, on which they paid normal and surtaxes amounting to \$77,138,000.

Effective rate ranged from an average of 68.57 per cent in the \$1,000,000 to \$1,500,000 income class to 75.14 per cent for those with incomes between \$3,000,000 and \$5,000,000.

No one reported a net income exceeding \$5,000,000. Only one return exceeded \$4,000,000, and only four fell into the \$3,000,000-\$4,000,000 class, with fourteen in the \$2,000,000-\$3,000,000, nine in the \$1,500,000-\$2,000,000, and thirty-three in the \$1,000,000-\$1,500,000 class.

Number of returns filed in the classes between \$1,000 and \$5,000 rose in comparable periods from 3,992,627 to 4,682,647; in the \$5,000 to \$10,000 class, from 322,779 to 417,724; in \$10,000 to \$25,000, from 121,895 to 175,164; in \$25,000 to \$50,000 from 25,623 to 40,782; in \$50,000 to \$100,000, from 7,878 to 13,505; in \$100,000 to \$150,000, from 1,384 to 2,588; in \$150,000 to \$300,000, from 886 to 1,535; in \$300,000 to \$500,000, from 204 to 330, and in \$500,000 to \$1,000,000, from 109 to 177.



E. J. Schwanhauser, Wm. C. Baird

Leaders in the March of Business



Henry Conklin and R. D. Jenkins



Don Francisco



Ben Van Horn

WILLIAM CAMERON BAIRD, 31 years old, acclaimed by Buffalo Chamber members as youngest president of a large city chamber of commerce. He is secretary and treasurer of the Buffalo Pipe and Foundry Company and is also active in Junior Chamber affairs.

Don Francisco, who has been elected president of Lord & Thomas advertising agency. As head of the agency's San Francisco office he played a leading rôle in helping to make orange juice a national beverage; in attracting tourists to California; in opposition to Upton Sinclair's attempt to win the governorship of California.

Henry Conklin, piece goods buyer for Scruggs-Vandervoort-Barney, St. Louis, won the fiber identification contest sponsored by the International Silk Guild at the Fashion and Silk Merchandise Forum in New York. He identified by sight and touch 24 out of 30 silk, wool, linen, cotton and rayon fabrics in a test of skill for buyers who have a daily problem of determining, without laboratory tests, which of these fibers, alone or in combination, are woven into fabrics they purchase.

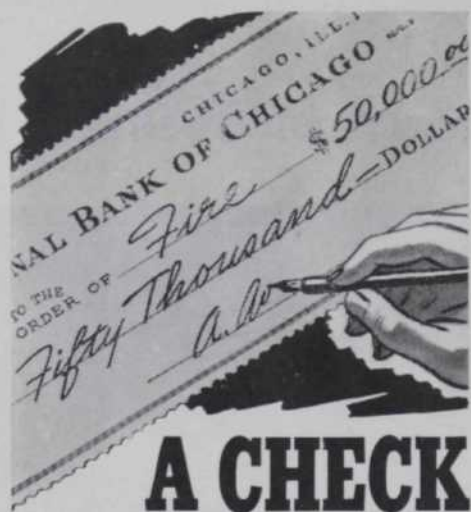
Ben Van Horn, sales manager of the Harnischfeger Corporation, affixes a commemorative plate on the 10,000th P & H overhead traveling crane turned out by his company. Each crane represents a cost of almost \$10,000. Mr. Van Horn, who has served 42 years with the organization, has climbed the company ladder from stenographer to sales manager of its largest division.

Robert E. Gross, president, Lockheed Aircraft Corporation, who announced that his company would build a new \$140,000 assembly hangar. With other units under construction it will enable the company to complete between 15 and 20 planes monthly during 1939.



Robert E. Gross

J. H. WASHBURN



A CHECK YOU SHOULD NEVER HAVE TO *Sign*



LAST YEAR thousands of businessmen signed checks for millions of dollars payable to FIRE—money that represented economic waste. Much of the direct loss was covered by insurance, but insurance can never cover those intangibles that fire destroys—those intangibles that mean a going concern.

THE SIMPLEST method of protection as well as the most efficient and most economical for every type of business is by a watchman, checked by a Detex System.

THE DETEX Watchclock System, in 50,000 locations employing 80,000 clocks, is proving by nightly use the efficiency and satisfaction of this simple, sure method of supervision.

CALL ON DETEX for full information on this system designed to suit your present as well as your future needs.



DETEX WATCHCLOCK CORPORATION
80 Varick St., N.Y. 4153 Ravenswood Ave., Chicago, Ill.
27 Beach St., Boston Rm. 800, 116 Marietta St., Atlanta
NB-9

DETEX
WATCHMEN'S CLOCKS
NEWMAN * ECO * ALERT * PATROL

Putting Big Business on the Highways

(Continued from page 22)

wore out. So where does that get anybody?

Where it got me was on the longest continuous motor tour ever made, over roads which a sensible goat would have avoided—a continuous tour of 150,000 miles that required three years to complete and on which my original companion, Dick Shadel, of Baltimore, died from exposure. But something had to be done to make the country automobile conscious and lay the egg from which we might hatch a race of road hogs.

Our car looked like a cross between Noah's Ark and Barnum's bandwagon. Its only covering was a huge umbrella that we put up for shade and whatever protection from the elements it might afford. It had oil and carbide lamps that were about as reliable as a pet snake, a crank that was as hard to operate as the Eighteenth Amendment, and a formula for changing a tire that had been handed down from the Inquisition as the old bus had no demountable rims.

That old puddle-jumper would be snorted off the highways today—but, brother, how she could waddle over the unimproved scenery and leap from crag to crag! Moreover, she had to do it with her own gas on her back—because there were no filling stations—and carry a complete change of her own vital organs because there were no garages.

When we started this 150,000-mile motor tour, there were only 714 miles

of surfaced rural roads and these were all adjacent to the larger cities.

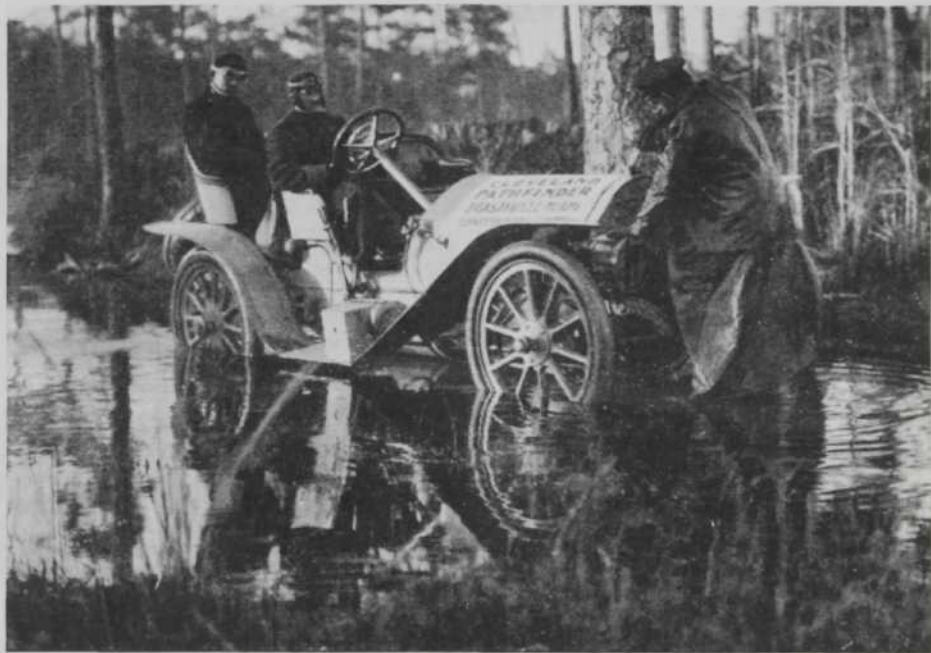
No motor tourists ever received such a hilarious send-off as we did. The future interests of the thriving young automobile industry demanded it. Here was its chance to show an unbelieving world that the horse and buggy would soon become as extinct as the dodo. We were pioneering a motorized age in which the only use for legs would be to walk out to the garage.

So, on October 19, 1910, when we turned the nose of our old uncovered wagon away from the office of the *Kansas City Star*, which was the point of our departure, we left behind us the echoes of rousing cheers from the automobile industry. Ahead of us stretched a continent that was strewn with rocks and pitted with mudholes, few of which we missed.

Caught in quicksand

CROSSING Raton Pass in the mountains of New Mexico we ran into quicksand and had to jump to keep from sinking out of sight. We sat down on a rock, picked the sand out of our ears and swore lustily. We hired ranch hands to excavate for our car, then scattered automobile parts all over New Mexico while we cleaned the sand out of the engine. There is a paved highway there now—a stretch of the National Old Trails.

While pioneering the course of the present Pacific Highway from Tia



The 1908 trip brought nearly 300 miles of good roads to Florida. The photograph shows one of the reasons why they were needed

BELLRINGERS



A Fire Proof Spirit

SAN FRANCISCANS have only to look around them to see confirming evidence of a fire proof spirit. Time and again, in the early days, the town went up in smoke, emerged from its ashes in greater substance, became a pyre of civic hope in a new devastation. How one institution fared with time and change is revealed in the history of the Fireman's Fund, now celebrating its diamond jubilee.

Insurance was nobody's business in a community of flimsy shacks and makeshift buildings, a settlement ready made for the incendiary bent on looting. Solidarity in construction was apparent by 1853. Of the 600 buildings of brick or stone the city then boasted, 38 lifted the skyline to three story height. In the late 'fifties insurance attained sizable stature. Fruit of this maturity was the Board of Fire Underwriters Association, first on the West Coast.

Fireman's Fund began business in 1863. Prime mover was Capt. William Holdredge. Capital stock was \$200,000. Neither Holdredge nor the 50 men constituting the directorate professed to know anything about insurance. They possessed a durable integrity, the will to be helpful. Plan was to write general business in cities having fire departments, shrewdly recognizing prestige of volunteer firemen—and to pay out ten per cent of profits to charitable fund of local fire department, reason enough for company's name.

So the 75-year record began. Two great conflagrations soon put the new company to severe trial. A cow in Chicago kicked over a lamp, set off a fire which consumed property

valued at \$200,000,000, wrecked 68 insurance companies, forced 81 to suspend or withdraw. Thirteen months later Boston was flame-swept with resultant property losses of \$75,000,000. Fireman's Fund paid all its claims in full.

What started in San Francisco on April 18, 1906, shook stock fire insurance companies throughout the country, wiped out profits earned in 80 years of business, laid waste 3,000 acres, devoured more than \$35,000,000 worth of property. Fireman's Fund on April 21 owed more than \$11,300,000. Its head office was a charred ruin, its records destroyed. More than 8,600 claims were settled without a lawsuit.

By June, 1907, rehabilitation of the company had been soundly effected. The examiner appointed by the State Insurance Commission reported, "It is difficult to imagine any institution being subjected to a more severe test than was the Fireman's Fund Insurance Company. It has emerged from it with its reputation untarnished and its excellent plant intact. The credit for this happy result belongs in great part to the loyalty of the officers and employees and to the remarkable plan of rehabilitating an institution which had practically been wiped out by an unusual catastrophe, but in the final summing up, due credit must be given to the loyalty of the claimants in San Francisco who united with the officers in an endeavor to prevent the extinction of a company which had enjoyed so many years of honorable dealing with its policyholders."

A way of saying as the company now says, "tested in the crucible of time."

dried and well primed I had chopped a channel 20 feet wide for the passage of the car and had pushed the floating cakes of ice beneath the sides of it. Standing to my waist in the icy water, I was numb all over. My feet had lost all sense of feeling.

Standing on the spring-horns, Brown and I then cranked at that old road-hopper till our arms ached. Finally we managed to get an explosion. Then another and, after a short interval, another. The explosions became more frequent and we kept it up until the engine started.

The protection Brown had contrived did its work perfectly. Then slowly, fearfully and cautiously we crept in low gear through the channel I had cut in the ice to the shore. Finally we bumped out over the rocks. We had been in the icy water with the temperature below zero for four hours. Our clothes were frozen stiff.

The next time you cross the continent over the Lincoln Highway, when you roar over the bridge which spans a tributary of the Green River between Granger and Fort Bridger on U. S. 30S, just look down at the stream and remember that two pioneers of motor touring had one hell of a day of it down there before the days of paved highways.

Handicapped by lack of bridges

WE had a somewhat similar experience 47 miles outside of Louisville while pathfinding a route for the present Jackson Highway from Chicago to New Orleans (now U. S. 31). There was no bridge over Salt Creek and we had to lower our car with a block and tackle down a 40-foot bank of soft mud to an old scow that was tied to a tree at the bottom. When the "Bulldog" hit, the scow broke away from its mooring and our car went over the side and out of sight in the ice-filled creek, in which a freshet was running.

We had to dredge for it with the iron hook on the block and tackle and, when we finally hooked onto it and began pulling, the car turned over and splashed back into the creek. When we finally managed to drag it out, we had to take the engine apart and dry it and clean it. Then we had to use the block and tackle again to get it up the high bank on the opposite side.

And remember, this was just outside of the largest city in a state that in 1929 had spent \$35,800,000 on highway construction and had 13,338 miles of surfaced motor highways.

Between Louisville and New Orleans we got mired down in so much gumbo mud that we had to tear down the fences and take to the fields, digging the rocks out of our path to keep

from tearing out the transmission in even our high-built old vehicle. We ran out of gasoline, and there were no filling stations. After walking five miles, I found a man who was operating a donkey gas-engine in a saw mill. This fellow hitched a mule into a ramshackle buckboard and we drove back over the gumbo roads with a can of the precious gas, getting to Brown and the car about midnight. Then we hitched the mule to the car and pulled it out. This gave Brownie an idea.

"This is what we need, Doc," he said. "A mule for an auxiliary engine. Let's tell the old guy to keep his gasoline and sell us the mule."

It wasn't a bad idea at that. In those days hay was easier to get than gasoline, and you can't crack the differential of a mule.

But the crowning craziness of that whole pioneering venture was the brain storm that made us decide to put El Paso, Texas, on the motor touring map as the only logical gateway for motor tourists entering Mexico. We had in mind a hook-up across Arizona to connect with the southern end of the Pacific Highway and complete a motor trail that would traverse three countries—Mexico, the United States and Canada, with a possible extension into Alaska.

We arrived in El Paso to find the town seething with excitement due to the apparent ending of the Mexican revolution just across the river. Madero and Villa had defeated the Diaz forces at the Battle of Juarez and peace had been signed on May 25. We arrived a week later and rolled across the International Bridge to the cheers of the El Paso Board of Trade, rattled through Juarez where the guns of the revolution had been thundering just a week before, then lunged into the fiery furnace of the Sierra del Fierro.

That rocky ridge that hems in a burning desert is aptly named. The temperature was 126 and the metal on our car radiated heat like a blast furnace. The sand that stretched for miles around us boiled with it—and the umbrella on our old bus afforded no protection at all from the terrific heat that came up from underneath. We sank up to our hubs in the deep, loose sand of the desert that lies in the basin between the Sierra del Fierro and the Sierra de San Blas. Using strips of canvas to get traction, we managed to get to the tracks of the Mexican Central Railroad (now the Nacional de Mexico). We bumped southward over the ties till we came to a place where a cloudburst had washed out the roadbed for miles—then we were forced to turn back.

When we rolled back across the International Bridge there were no



2 HOUR job now takes 45 minutes!

The Eastern stockroom of a large manufacturer fills orders the same day received, ships by parcel post to the whole Eastern seaboard. Postage expense runs \$40 or more a day, and 225 packages is a normal day's parcel post.

Stamping these parcel shipments used to take *two* hours—but the job is done in forty-five minutes with the Postage Meter. A day a week saved! And ordering stamps, separating perforated stamps and sorting denominations used to take approximately half a day twice a week. With this job out of the way, another day is saved!

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The shipping date is in the meter stamp. And meter stamped parcel post moves faster in the postoffice because it need not be cancelled or postmarked, often makes earlier trains.

Find out what the Postage Meter can do for you. Ask our nearest office for a demonstration in your own office—and learn why thousands of progressive firms have switched to Metered Mail.

THE POSTAGE METER CO.
1033 Pacific Street, Stamford, Conn.

PITNEY TRADE MARK BOWES

*Branches in principal cities
Consult your telephone directory*



"How much can I



buy for 1 $\frac{1}{3}$ cents?"

*Y*OU can't buy much gasoline for 1 1/3 cents, but you can buy a whale of a lot of advertising.

Last year, as for many years, makers of gasoline and oil invested almost *twice* as many dollars in the Post as in any other magazine in the world.

And yet the total cost of *all* their advertising in 52 issues of the Post — for all brands of gasoline, oil and lubricants — was actually *LESS* than 1 1/3 cents a week per Post family.

That's a mighty small sum when you consider that for gasoline and oil alone, the average expenditure per passenger car last year was more than \$140.

Any manufacturer can get his share of profitable business from millions of better-than-average families through the pages of the Post. When the cost per family is so little, isn't it a good idea to tell these people about *your* product . . . often? Week after week? Every week?

THE SATURDAY EVENING POST

Empress Express TO THE ORIENT



The great white *Empresses* hold every speed record to and from the Orient. 10 days direct to Yokohama by *Empress of Asia* or *Empress of Russia*. Or only three days more via Hawaii by *Empress of Japan*, largest and fastest on the Pacific, or *Empress of Canada*. Connect at Honolulu from California ports.

From Vancouver and Victoria to Yokohama, Kobe, Nagasaki, Shanghai, Hong Kong, Manila. Details from YOUR TRAVEL AGENT or Canadian Pacific: 41 offices in U. S. and Canada.



Canadian Pacific

cheers from the El Paso Board of Trade.

We failed to take that experience south of the Rio Grande as a warning—and headed into the area of sand and salt beds and desert mountains east of El Paso with the idea of pioneering a shortcut for the motor tourist from St. Louis and the Middle West to this gateway to Mexico and the southern end of the Pacific Highway. We should have known better. That was no place to go in an automobile in those days.

An account of this episode in our 150,000-mile motor tour was published on the front page of the *New York Sun* in a news dispatch from El Paso:

NEAR DEATH FROM THIRST Dr. Percival and Companion Lost on Sandy Mexican Desert

EL PASO, Tex., June 7.—Word comes from Clint, a small town 20 miles east on the Mexican border, of the arrival there yesterday, exhausted, of Dr. Charles G. Percival, of New York, who is attempting an automobile tour of the world, and who, with his companion, George Brown, of Detroit, was lost on the sandy desert of the Waco Huecho Mountains, 70 miles southeast of here.

Dr. Percival, who had been wandering for an unknown period over the sandy waste in the broiling sun without water, was found in a demented condition by a detachment of Troop K, Fourth Cavalry, which is stationed at Clint, and brought into Clint with blistered feet and raw and bleeding face. After recuperating he insisted on riding back with a detail of Troop K to the rescue of Brown, who was found lying beside the trail with an empty water bag. He had become discouraged of the return of Dr. Percival and had made eight miles across the desert on foot before he fell unconscious.

Both men arrived in Clint last night and will remain there until they have recovered from their experience.

That dispatch is true except for one detail—the fellow in the *Sun* office who wrote the headline made a mistake in his geography. We were not lost on "Sandy Mexican Desert." The sandy desert of the Waco Huecho Mountains is in Texas.

The red-hot sand and sun of that desert crucible soon reduced our tires to the consistency of tooth paste when we bumped down over the rocks from the high mesa of the Guadalupe Mountains and into the Great Salt Basin between the Cornudas and the Guadalupe. Although we deflated our rapidly disintegrating tires and used strips of canvas for traction we sank up to our hubs. We ran out of water for the car and were down to three gallons in our drinking bags, bogged down on the desert and facing death from thirst in a temperature in which I could fairly hear my flesh frying in its own grease.

Brown and I drew lots to see who would remain with the car while the other tried to walk to civilization for help. It fell to me to make the at-

tempt. Stripping myself down to a hunting knife, a compass, one orange and three quarts of water in my drinking bag, I shook hands with Brown and started off.

After my water gave out I don't know how far or how long I floundered about before I began babbling to myself. They told me I was groveling and digging with my hands in the skimpy shadow of a soap weed when the soldiers found me, a few miles outside of the old Indian village of Ysleta. My tongue was so swollen I couldn't close my mouth, my face was raw and bleeding and my feet, from which the shoes had been ground and burned away by the hot sand, were a mass of blisters.

When we recovered from that experience we decided to leave that end of a proposed international motor route flat on its blistering back and tackle it at the other end.

Pioneering in the north

WE BECAME the first and probably still are the only ones ever to cross the Skagway-Chilcoot Trail of the early Klondike mining days in an automobile. We sledged that old "Bulldog" over the frozen snows when the temperature was so low that we had to use kerosene in the radiator. We crossed White Pass in Alaska by bumping over the ties of the railroad track, and that old pioneering bus managed to get us north of 62 and above the Arctic Circle—and if you think that isn't something, try it some time in your streamlined car.

For that trip into the frozen north we were awarded the Alaska trophy, and our old "Bulldog" came back into the United States again with this fact proudly painted on her battered sides.

Today British Columbia has 17,500 miles of highway suitable for motor touring, and the route we pioneered up there became, 20 years later, the accepted route for a proposed Midnight Sun Highway from Vancouver through British Columbia and across Yukon Territory to Fairbanks, Alaska—a motor highway that is still waiting for cooperation between the United States and Canada to complete.

It was up there that we paid the highest price for gasoline on the entire tour of 150,000 miles (\$1.22 a gallon in the Klondike).

Today the mileage of surfaced rural highways within the United States would girdle the earth at the Equator 28 times—and I have lived through a wonderful age. I have seen the roads change from mud to concrete under the tires of my own vehicle. I even feel that I have had a part in this development—and, brother, that's something!

Shake Hands with Our Contributors

THE WORD "monopoly" has been a campaign bugaboo since the turn of the century. Today the issue is kept alive by activities of various governmental agencies and appointment of the Temporary National Economics Committee to study the "concentration of economic power in American industry." Senator O'Mahoney is chairman of the committee. NATION'S BUSINESS asked **Herbert Corey** to interview the Senator so that its readers might have first hand information.

Dr. Edwin G. Nourse is director of the Institute of Economics of the Brookings Institution. He is co-author of the Institution's recent study, "Industrial Price Policies and Economic Progress" and (with associates) of "America's Capacity to Produce."

Major Charles G. Percival says that he was one of the daredevils who in 1895 drove one of the few cars registered in the United States. He is now an M.D. and Secretary-Treasurer of the American Tourist Camp Association.

Dr. Harrison E. Howe is editor of *Industrial and Engineering Chemistry*. He has served as a chemical engineer with several industrial concerns and was a consulting chemist of the Ordnance Bureau, U.S.A. during the World War.

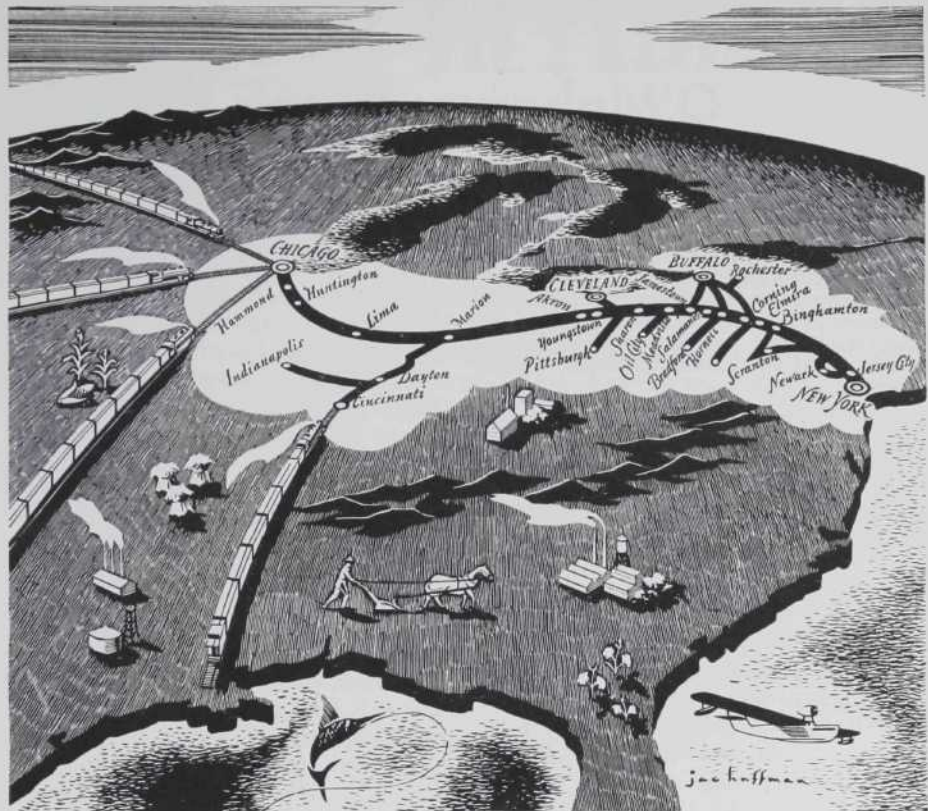
Charles C. Parlin, for many years connected with the Curtis Publishing Company, was a pioneer in the development of market research.

Coming Next Month:

How taxpayers themselves may halt the relentless rise in governmental costs will be told by Walter L. Pierpoint, president of the Association of Omaha Taxpayers. He will tell how their group was organized and did their part in making Nebraska a state without income taxes, sales taxes or bonded debt.

Another article will summarize results of the Miller-Tydings law and show why only a few manufacturers have fixed their retail prices.

If you have ever wondered what it cost in dollars and cents to make a high grade moving picture you can find out in the next issue of NATION'S BUSINESS when Jo Chamberlin will explain all the details involved in the production cost of the film "You Can't Take It With You."



The "Buy-ography" of the ERIE EMPIRE

• In the Erie Empire, the heart of the industrial East, you will find more than 10,000,000 families, hundreds of thousands of manufacturing plants and retail outlets. Here is the world's richest market—served by the Erie Railroad with heavy-duty, high-speed rail service.

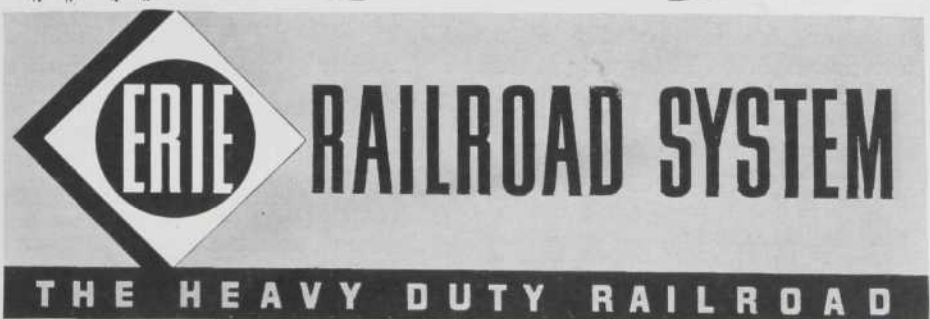
If you ship from the West, Northwest, South, or Southwest, you will find Erie the gateway to this profitable market. If you manufacture in the East, Erie provides fast service to the 43,000,000 people in the Erie Empire, connects with all rail lines West and South.

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AIR-CONDITIONED TRAINS • EXCELLENT MEALS
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O'Mahoney Wants Facts—Not Scalps

(Continued from page 16)

tion compelled the executive departments to draft bills for introduction in Congress which were designed to simplify matters. The structure kept growing higher and wider. Executive function became more and more specialized and the function of Congress tended toward mere confirmation of what the executive departments wished.

Turn back and re-read what John Sharp Williams said. He wanted Congress to preserve its position and he opposed the grant of too much power to bureaucrats.

Legislative-executive committee

THIS interviewer does not speak for Senator O'Mahoney, but he assumes that a compromise was reached. The Temporary Economic Committee was created by joint resolution, to consist of six members of Congress and six representatives of the departments. The original draft called for only five from the departments, but this was overruled. The three senatorial members are Joseph C. O'Mahoney of Wyoming, William C. Borah of Idaho and William H. King of Utah. They were appointed by Vice President John N. Garner.

The members of the Committee from the House are Hatton W. Sumners of Texas, who is vice chairman, Reece of Tennessee and Eicher of Iowa. Of the six, only Eicher is rated as an out-and-out New Dealer. It should be noted that President Roosevelt personally overcame Mr. Sumners' reluctance to take time away from his campaign for renomination to serve on the Committee. This has been generally regarded as a friendly gesture for Sumners, and assuredly added to the Committee a man known to be fair and extremely competent, and who has opposed much offered legislation that he considered dangerously un-American in trend.

The six members from the executive departments are Assistant Attorney General Arnold, General Counsel Oliphant of the Treasury, Statistician Lubin of Labor, Assistant Secretary Patterson of Commerce, Chairman Douglas of the S.E.C., and Chairman Ferguson of the F.T.C. They are all New Dealers, of course, although Ferguson is not rated as aggressive, and only Arnold and Oliphant are classified as having something less than judicial poise in dealing with political matters.

On the face of it, however, the New Dealers control the Temporary Economic Committee by seven to

five. Mr. O'Mahoney spoke briefly off the record in rebuttal. He was reminded that, of the \$500,000 appropriation for the needs of the T.E.C. four dollars out of five were set aside for the use of the departments. His brows clamped down:

"That is as it should be," he said. "They have the work of investigation to do. They need a good sized staff."

They have authority to examine corporate records when desirable, and have been doing a good deal of that during the summer. On top of that, the departments have an enormous quantity of records of their own which have never been properly dovetailed. There are hundreds of tons of N.R.A. records that have been gathering dust ever since the court wiped out that organization. The work of coordination has been handled by Leon Henderson, until lately chief statistician of the W.P.A. He is considerably to the Left politically, but stands high as an interpreter of facts. Very high, in fact, because he warned the New Deal of depression to come months ago and was not believed. Next time he'll be listened to.

"Perhaps," this interviewer suggested, having in mind the acoustic qualities of the Capitol's dome, "the politicians will be able to handle the Committee. Shape the inquiry their way, you know. Make political capital of it."

Only the interviewer is quoted in that paragraph, because what Senator O'Mahoney said is off the record. But the interviewer got a fairly close idea of what he meant and is inclined to believe he means it. This is Mr. O'Mahoney's baby, after all, and he would be expected to resist kidnappers with all his power. If it is true, as has been reported, that two or three young men about town have been trying to raid the Temporary Economic Committee, this interviewer would find no difficulty in believing that the young men turned the raid into a strawberry festival when O'Mahoney heard about it.

"This," said he, "might be taken as the platform of the Committee:

Corporate bigness in itself is nothing to be frightened of. This is a big country. We need big tools.

Corporate bigness that has been achieved by the misuse of power is not to be tolerated.

Honest and efficient and commendable big corporations and crooked and tyrannical and detestable big corporations operate under the same laws. One set is managed by decent men who refuse to

take advantage of the opportunities left open. The other set is managed by pirates who do take advantage. Evidently that is all wrong.

We should have laws that will not hamper honest enterprise and will not help the thieves. Every one should agree to that. Our only aim has been to find out what is wrong, in the least sensational manner possible, and then make suggestions for correcting it.

Business has been somewhat stimulated lately by the resumption of government spending. But we can't go on that way forever. The only way we will ever be prosperous again is to get our men back to work. Then we can sell all we make. I have no patience with those who think we have reached our limits. We have just started toward prosperity. The buying power in this country is illimitable, but we have gotten things a little mixed.

We can get them straightened out again. Business need not be afraid of what we are trying to do. We want to help and not to hinder. There has been nothing punitive or political in what we have done and there will be nothing. We may find that laws have been broken, but we will not worry about that. We will take what has happened in the past merely as a guide to what should be done in the future.

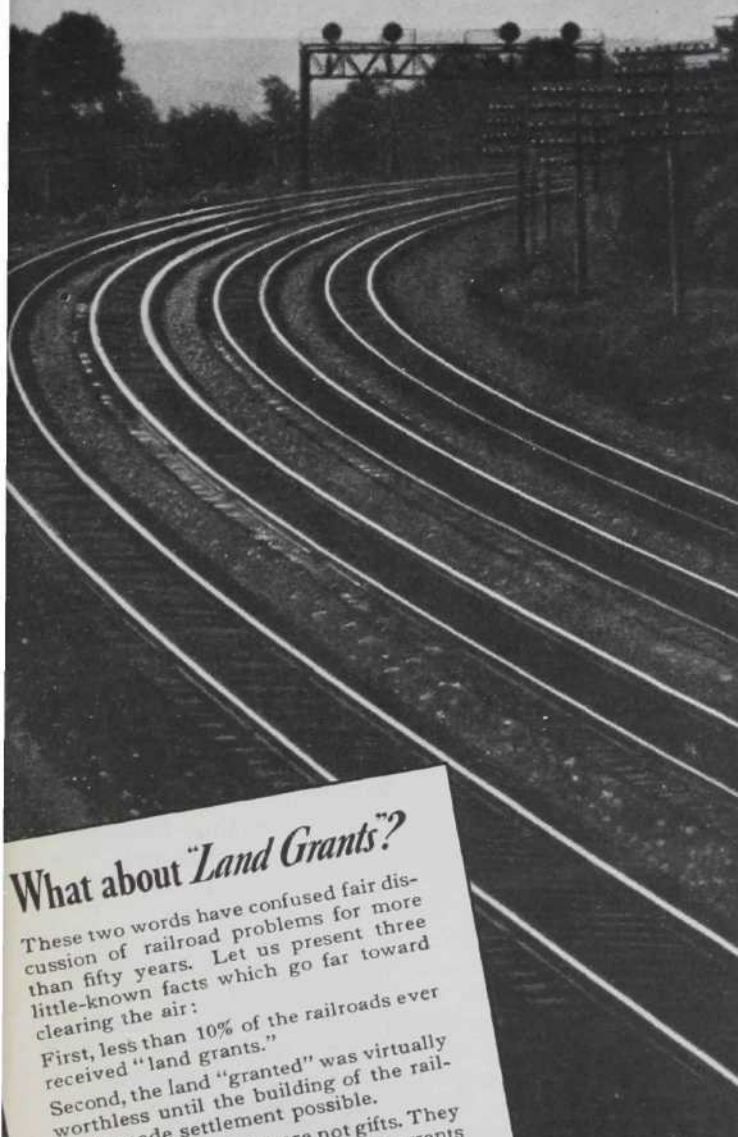
Regulation but not control

HE FAVORS government regulation of business but not government control of business. There is not a set of bureaucrats alive who are smart enough to manage the business affairs of a nation for the men who own the businesses. If business is given the proper laws it will govern itself. An offender will then be haled before the courts, and not jacked up before a bureau. But, if the laws are not what they should be, then big and little rascals will continually be trying to take advantage and more and more bureaucrats will be needed to watch them and the net of bureaucratic orders will be spread wider and wider.

"Wrong! All wrong!"

During the summer the investigators—the delvers into records and reports—have been hard at their dusty job. The laws governing industry, commerce and finance in other countries have been examined, together with their differing problems. Trade associations have been taken up for inquiry. They have performed a valuable work, of course, or they would have been forgotten years ago. The Committee wants to know more about it. What effect, for example, have their methods had on the maintenance of prices, is that maintenance necessary and desirable, and does it in fact suppress competition? Has

Here's the only *way* in America not financed by tax money



THE people of the United States use four "ways" of transportation — waterway, airway, roadway and railway.

Of these four, the railroads alone now build and maintain their own "ways" without the aid of the money we all pay in taxes. More than that, they *pay taxes* on their "ways" which help to support schools and other functions of government.

These facts have an important bearing on any discussion of the "railroad problem" for two reasons:

First, people who talk of "putting the railroads through the wringer" overlook the fact that approximately 55% of railroad investment is in their "ways."

Second, railroads must compete with carriers which use ways largely provided for them by taxation.

Take the inland waterways, for example. The construction cost of digging canals or deepening rivers — all paid by the *taxpayers* — is far more than the cost of building railroad tracks. For instance, it is \$142,000 per mile on the Ohio River and \$235,000 per mile on the upper Mississippi. And even the annual maintenance per mile, *also paid wholly by the taxpayers*, is much higher than the annual maintenance costs of the railroads, paid wholly by the railroads.

Aviation benefits by a nationwide system of beacons, emergency landing fields, radio beams, weather reports and the like furnished by the U. S. Government, and airports built by U. S. Government funds or municipalities.

Roads, *not* including city streets, have cost more than \$25,000,000,000 — almost twice the investment in railroad tracks and yards.

Looking at these figures, you can see that it costs money to furnish any kind of transportation "way" — and the marvel is that railroads, paying the whole bill themselves, are able to transport commodities of all sorts over all the country at rates averaging well below those of any of our other ways of transportation.

This is no time for snap judgment on the railroads' problems. What's needed is a sensible program.

The railroads have such a program today. It is based on the principle that *the most important transportation system in America should be given a chance to run as a business under fair and equal conditions of competition.*

This program is simply stated in a little pamphlet of vital interest to you. Please write for your copy.

What about "Land Grants"?

These two words have confused fair discussion of railroad problems for more than fifty years. Let us present three little-known facts which go far toward clearing the air:

First, less than 10% of the railroads ever received "land grants."

Second, the land "granted" was virtually worthless until the building of the railroads made settlement possible.

Third, "land grants" were not gifts. They were trades. Roads receiving these grants were required to give the government reduced rates on all its business, a concession which has long since returned to the government far more than the original value of the lands granted.

SAFETY FIRST—

STRAIGHT
THINKING
About the Railroads

ASSOCIATION OF
AMERICAN RAILROADS

GO FURNESS PRINCE TO *South America*

....THE "ROYAL ROUTE"
TO THE BRILLIANT
EAST COAST



**A MAGNIFICENT CRUISE VOYAGE
...WITH FAULTLESS BRITISH
SERVICE AND SEAMANSHIP**

When you add Rio—Santos—Montevideo—Buenos Aires to your travel treasures... choose a ship that reflects the charm of these rich, worldly capitals... with all the luxuries of modern pleasure voyaging—and the superb maritime efficiency and service of British seamanship.

FURNESS PRINCE provides you with such a liner—in any one of the gracious *Four Princes* designed for and regularly serving South America's East Coast.



Aboard the *Eastern Prince*, *Western Prince*, *Southern Prince* or *Northern Prince*, your name on the passenger list assures you of a well-ordered voyage in traditional Furness fashion. Your comfort, your pleasure, are the prime considerations of the alert, capable staff.

Sailings every fortnight from New York, including calls at Pernambuco or Bahia, alternately, southbound and at Bahia and Trinidad northbound. Reservations and literature from your own TRAVEL AGENT or Furness Prince Line, 34 Whitehall Street or 634 Fifth Ave., New York City.



FURNESS Prince LINE

competition become so ruthless that, if it were not controlled by trade association methods, destruction might follow? Do trade agreements always penalize consumers? If they were barred, might not the consumer suffer in the long run from the one Big Dog who had eaten all the little dogs?

N.R.A. records bearing on these points have been studied. They have been mines of information on all business matters. It seems remarkable now that, in the confusion of the past few years, these records have been completely neglected—or almost completely—although their value was a matter of common knowledge. The Committee has been trying to find out something about the division of territory between competing companies and the accompanying apportionment of traffic. The newly enacted wages-and-hours law has been studied in the light of the "most thoroughgoing and scientific analysis of industrial statistics ever assembled," which has been put together by Department of Labor specialists in collaboration with the Department of Commerce and the Bureau of the Census. This study has in fact just begun because almost every hamlet in the country may be asked for its contribution before the Commission's labors are ended.

Said Mr. O'Mahoney:

It may not be necessary to scrutinize every industry and the work of coordination will be difficult, but we believe that needless exertion on our part and unnecessary inquiry from industry can at least be minimized.

The Securities and Exchange Commission, for example, has much material on interlocking directorates, the relationship between management and investor in the larger cor-

porations and the use of the subsidiary corporation to the possible injury of the stockholder and consumer. The charge often made that bankers, rather than industrialists, dominate the course of corporations that underwriters have served will be taken up. The position and policy of the insurance companies have engaged much of the investigator's time. Not until the facts have been gleaned from the records will it be necessary in most cases to call the responsible men of affairs to testify.

Wants cooperation of business

"WE HOPE they will understand that we ask their cooperation. We believe that we will get it fully."

Mr. O'Mahoney believes that, once it is understood that this is not a witch-finding and space-grabbing adventure, business will assist the Committee. He brings no charges against business as such or against most of the men engaged in business. He only thinks that the laws under which business operates have grown up somewhat clumsily and that they can be improved without injury to any honest man.

We know that we have entered on a task that demands of us wisdom and delicacy and restraint. The most we can do is to get an intelligible picture of a highly complex situation and present it to congress with our suggestions as to what should be done.

He believes that a good start has been made. This article might well be ended by Senator O'Mahoney's often used quotation from the Constitution of the state of Wyoming, which is one of his favorite pieces of literature:

"Arbitrary power exists nowhere in a republic, not even in the largest majority."

It Still Happens in America

(Continued from page 38)

gan to come in—well, we went to work."

Like so many stories of successful men, there is the story of Mrs. Brown always in the background. In those early days she did the manufacturing with what help her husband could give her after his selling was over for the day. Later she was in charge of the business while he attended to outside details.

It didn't take long to reach the saturation point in the trade territory for corn chips. The business had to have something else. Potato chips was a natural step.

Already Brown had learned two things about the food business:

1. It took a superior product to sell and sell again.

2. It took selling of every description to put over that first deal.

"I studied potato chips for weeks before we started," said Brown. "We made dozens of batches before we had the product we wanted."

That study included everything Brown could find out about potatoes and cooking them. He talked with restaurant chefs, home economics experts in college, experts who made salad oil, merchants, and grocers.

The grocers wanted a product that would "stand up" without getting rancid. They wanted something that looked and tasted fresh all the time. Brown had to have something distinc-

tive so that, with a quality product, he could count on repeat business without too much re-sale to folks who had been disappointed with an inferior product.

Largely by study, work and experiment Brown found the answers to his questions. He found he had to keep his chips heated until the oil all drained off after they had been cooked to keep them fresh a long time. The highest quality oil, cleaned and re-cleaned, helped.

He called on his advertising experience, produced a chip with a tiny bit of the peeling still left on it that made it distinctive and carried extra food value of the potato peeling itself which often is lost.

He called them "Brownie's Chips." Two little "brownies," of the type so familiar in fairy books, became his trade-mark. That made a good-looking package.

His next move was a special display rack which has been copied for sacked goods from one end of the country to the other—and that helped merchants sell his product.

Doing good business now

IT WASN'T so far, after all, from a man with but \$5 and in debt to a man with a business which did a gross volume of \$60,000 last year. Nineteen persons are depending directly on Brown for jobs, while no one knows how many depend on him indirectly—the man who prints and produces his sacks, the people who sell him oil and other ingredients; the men who produce potatoes and grade them carefully for Brown because they know he will pay the highest price to get what he wants.

An example of the resourcefulness required in American business today is his designing of a cooking machine. He knew what was required. He built a machine for \$1,200 that will do the job, and, with a grin, explains "with two or three of them I could produce all the potato chips this whole country could use." That's mass production.

Recently he moved a big business out of the basement of the home which it once seemed he was going to lose.

He's bought a brick building, with cash and payments low enough that it will pay out no matter what happens. Creditors won't get another shot at him if he can help it.

Typically, he found that the potato chip business is seasonal. It went best in summer. But he couldn't lay off his people and feel right about it. Now he's working, still 12 hours a day, on chile. It sells in wintertime.

It could only happen in America, the land of opportunity even in the midst of depression.



Unretouched photo of America's oldest cast iron water main recently inspected and approved after 117 years' service in Philadelphia.

Keep it in mind as **PUBLIC TAX SAVER NO. 1**

REMEMBER cast iron pipe as Public Tax Saver No. 1. Keep it in mind as the standard material for water mains—that it has saved and is now saving millions of tax dollars—because it serves for centuries. The informed citizen is averse to experiments with shorter-lived substitute materials for so vital a service as water distribution mains. Their ultimate cost is higher and the public pays the bill.

Cast iron pipe is the only ferrous metal pipe, practicable for water, gas and sewer mains, which rust does not destroy. It is made in diameters from 1¼ to 84 inches. Address inquiries to The Cast Iron Pipe Research Association, Thomas F. Wolfe, Research Engineer, Peoples Gas Building, Chicago, Ill.

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saves taxes in the public service

The Factor speaks:



This old woodcut, dated 1475, shows a mediaeval merchant literally "drumming up trade." From this

we see that sales promotion, as it is now termed, is a very old and important species of activity. The Factor, too, in the Middle Ages was vitally concerned with selling and selling problems. (T)oday the modern Factor not only cashes his client's accounts receivable and warrants the solvency of his customers, but helps him to increase his sales volume. The factoring firm that best accomplishes this last named objective performs the most well-rounded and constructive function.

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1854



1938

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|---|---|
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| <input type="checkbox"/> Commercial Law | <input type="checkbox"/> Industrial Management |
| <input type="checkbox"/> Effective Speaking | <input type="checkbox"/> Modern Foremanship |
| <input type="checkbox"/> C. P. A. Coaching | |

Name

Address

Town State

Boy Wanted—Or Not?

(Continued from page 25)

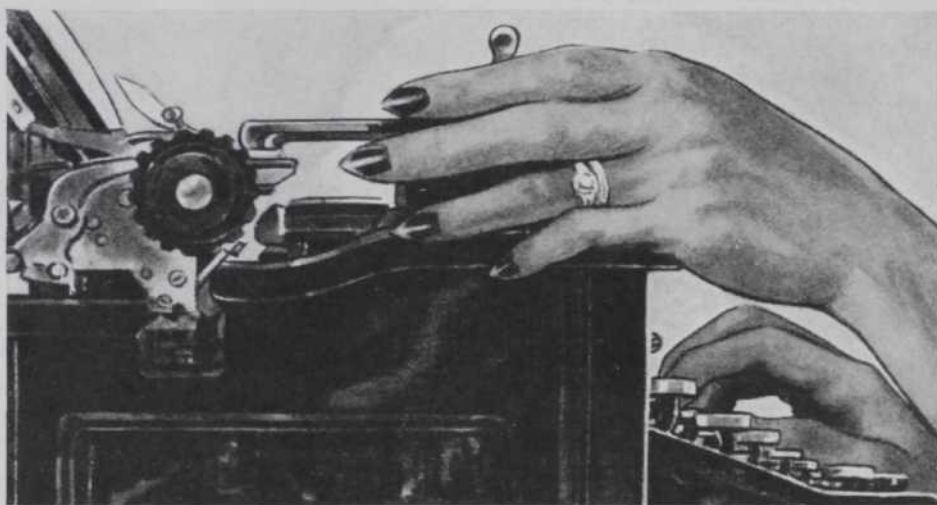
partial relief. The relapse of the past year has again swelled the ranks of the unemployed. Thus for almost a decade youth has had to offer its services in a glutted market. This has magnified enormously the adverse effects of all the other causes of joblessness in the lower age brackets.

Since general unemployment is the underlying cause of placement difficulties among the young, it is clear that no thoroughgoing remedy for these difficulties will be found until American business again is in a position to hire substantially all the desirable labor available. This gives us a starting point in the search for a solution of our problem. If the young are to find jobs, more jobs must be made available for everybody. Unless we are ready to concede that the government is to become the ultimate employer of surplus manpower, at the risk of national bankruptcy and the collapse of our economic and social systems, these jobs must be in private industry. This means increased industrial activity, which conceivably might be attained under the prodding of a dictatorial government, as it has

stantial increase in available employment. This effect would be enhanced if the Government would return to the former American custom of giving affirmative aid and support to industry. It may, in fact, be asserted that the fundamental cure of unemployment rests rather with the Government than with employers.

The remedy that has been suggested—creation of more jobs and reduction of unemployment in general—offers the only fundamental cure for the disease of joblessness in youth. But, while we wait for the surgeon, we may apply some palliatives. One of these is better personal salesmanship by young persons seeking work. Everyone who has had any experience in employment realizes the tragic helplessness of a large proportion of applicants, particularly those who are youthful and inexperienced. A public employment official said:

One of our hardest tasks is to teach the boys and girls how to apply for positions. They don't know how to talk or act or dress. We have to tell the girls to tone down their facial color schemes, and we have to argue the boys into parking their cigarettes and taking off their hats before they walk into a private office.



Supervisors are reluctant to drop married women because many of them are efficient and valued employees

been attained in some European countries, or which might come about through reasonable encouragement of free enterprise.

If the latter method is preferred, the course is clear. Government should cease to harass and hobble industry and should return to its proper function of essential regulation.

Even the negative encouragement involved in a cessation of government hostility would effectively accelerate business and thus would lead to a sub-

The technique of placing juniors necessarily differs from that of finding jobs for the matured. It is not a process of finding a buyer for tangible values—acquired skill and experience—but of interesting a prospective employer in a particular individual on the basis of personality, character, and capacity to advance.

Sometimes advice about methods of job seeking is expanded into a thorough-going process of fitting applicants into positions and finding posi-

tions suitable for particular applicants. A university placement bureau in a large city has adopted methods almost like those of a consulting establishment in management engineering, and systematically studies the organization and functioning of corporations to find or even to create jobs into which alumni may be placed.

Wages should be more flexible

IN ANALYZING the causes of unemployment among the young, reference was made to the part played by rigid wage standards. In seeking methods of providing more jobs, therefore, it may be suggested, cautiously and with many reservations, not that wages be allowed to seek their natural level, but that inflexible and uneconomic wage scales be modified sufficiently to permit the employment of workers who are at or near the margin of economic employability. As has been pointed out, the young and inexperienced are in this marginal group.

A major obstacle to the employment and training of youth is the aspiration of many to begin where their parents left off. There is an inclination to turn up noses at low-paid work, and to hold out for a "position" in some white collar occupation. To the credit of the young people it should be added that this attitude has been modified greatly in recent years.

In this whole field there is much need for vocational guidance in schools and colleges and for cooperation among educational leaders, public and private employment offices, and prospective employers. Here also the situation is improving but there is room for much more progress.

Educators should face honestly the question of the extent, if at all, to which various courses are intended to prepare graduates for positions in industry. There should be a clear conception of the function of the professional school, and this profitably might be combined with a thoroughgoing effort to measure the present and probable future opportunities for newcomers in each profession.

This does not mean that education should be planned wholly on a vocational theory. Probably in recent years there has been too much, rather than too little, effort to educate for jobs. The cultural and ethical purposes of education, and its mission to prepare young people for good living and good citizenship, never should be forgotten. But surely it will be an advantage to all if those who assume the guidance of youth concern themselves somewhat more than some of them now do with the question of what is to become of youth—socially and morally as well as vocationally—after the school period is over.



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A Business Version of the Fuller Life

(Continued from page 29)

than \$2,000,000.

Spurred to action by this catastrophe, the Banning organization began an aggressive fight against the fire menace. A salt water pumping plant was built and miles of brass pipe (at 80 cents a pound) were laid through the city. By 1916 there was salt water under pressure in the fire hydrants. Salt water was used for flushing toilets. Fresh water baths were a rare luxury. All sorts of complications followed. Absent-minded housewives occasionally ruined a whole

meal by filling teakettles at the salt water taps. About every so often someone made the mistake of turning on a salt water hose for the irrigation of flowers, shrubs, lawns and gardens.

After 1919, at heavy expense, William Wrigley, Jr., added extensive improvements to the salt water pressure system, knowing only too well that it was only a temporary stop-gap against a problem of water shortage that was anathema to the island. He spent tens of thousands of dollars drilling wells and tunnelling for water

under the hills back of Avalon, but these projects failed to produce potable water in sufficient volume. Then he went to work to develop a permanent water supply that had long been a dream of the Bannings, a project of such magnitude that it could not progress for them beyond the realm of dreams.

Water that's hard to get

SIXTEEN miles across the rugged interior of the island was Cottonwood Creek, pouring a torrent of pure water into the sea from the slopes of Mount Orizaba. It drains a watershed of 7.02 square miles where the average annual rainfall is six inches. The mean annual run-off is 1,412 acre feet. Of course, the Bannings had contemplated this water supply for many years but the cost of building a reservoir, pumping plants and 16 miles of aqueduct that would have to be brought over a 1,500 foot summit would have bankrupted them and all the taxpayers of Avalon.

It is asserted that no municipality could have brought the Santa Catalina Island water system to its present efficiency without a bonded indebtedness of at least \$3,000,000. But, as a purely philanthropic enterprise, Wrigley brought in engineers, workmen, mechanics and shiploads of supplies.

He footed the bills, saw the aqueduct completed and presented it as a gift to the citizens of Avalon. Now the city has an abundance of good water at a meter rate slightly lower than that of some cities of the California mainland. Obtaining this boon which also put an end to the fire hazard and did away with the salt water nuisance cost the taxpayers not a dime!

By 1920, Avalon was struggling with another knotty problem that had become an intolerable nuisance, a menace to health and a stumbling block in the path of progress. The city had outgrown its sewers. The old sewer system discharged raw sewage into the sea at a point near Lovers' Cove, from whence, under certain conditions of tide, it all came back into Avalon Bay.

The City Engineering Department went to work but soon found itself in difficulties. Not until the Wrigley organization had brought in the best sanitary engineers that money could hire was the sewage problem solved. The present system consists of a trunk line sewer discharging into an underground septic tank near the

From a Business Man's Scratch Pad . . . No. 29



bathhouse on Avalon Bay. From there a battery of pumps lifts the sewage to an outfall line 4,470 feet long, with an outlet under 200 feet of water 700 yards off Pebbly Beach. From this point of discharge dependable ocean currents carry every trace of de-contaminated sewage out to sea.

On May 29, 1929, Mr. Wrigley opened and dedicated another of his numerous gifts to the island, the \$2,500,000 Avalon Casino on Sugar Loaf Point north of the Bay of Avalon. The structure houses a theater and a ballroom with 20,000 square feet of dance floor. For several years admission to the ballroom was free but, with the increasing popularity of the island, it became necessary to establish a nominal entrance fee as a means of restricting admissions. The Santa Catalina Island Company provides the music.

In the lobby of the ballroom is one of the longest and most elaborate bars on earth—a bar where not a drop of alcoholic liquor is sold. Put liquor on this bar and it would be perhaps the most profitable bar in California. Here is evidence that Philip K. Wrigley has a deep sense of moral responsibility.

Entertainment for the children

SOME months ago there was a piece of vacant property almost in the center of the seaward side of Avalon's Crescent Avenue. It is owned by the Santa Catalina Island Company and is one of the most valuable properties on the island.

Nevertheless, Philip K. Wrigley was seen there one day talking with his landscape engineers while workmen tinkered with a concrete mixer and trucks unloaded bags of cement and other supplies.

"What are you going to build here, Mr. Wrigley?" asked an Avalonian who happened by.

"A sand playground park and a wading pool for the kids," Wrigley replied.

The playground is now in service under the watchful eye of a fatherly, white-haired old negro guard who is on the Wrigley pay roll. I wonder how many men would ever think of building a playground for children on property that many a business man would consider cheap at \$4,000 a front foot . . . and then assume the expense of maintaining it?


William Wrigley, Jr., was long a lover of birds and, about 1927, conceived the idea of presenting Avalon with a bird park. From an initial investment of \$250,000 for buildings

*There is no local option in California. Control of the legal liquor traffic is vested in the state government. For this reason Philip K. Wrigley and the Santa Catalina Island Company have no more voice in the licensing of liquor sellers in Avalon than they have in any other city in California.

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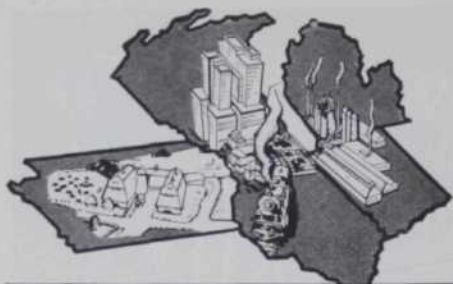
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WHAT'S THE OUTLOOK FOR THE MIDWEST?

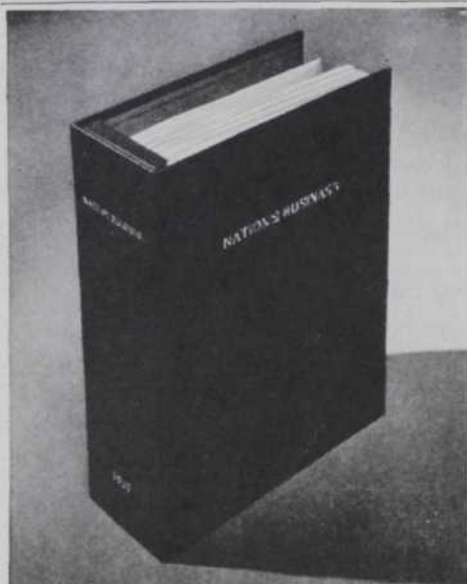
A familiar question to Live Stock National Bank — asked by business firms in many sections of the country. For they know Live Stock National is uniquely able to answer it authoritatively. First, because its operations extend far into the rich middlewestern market. Second, because it serves and is in close contact with nearly 500 other middlewestern banks. Third, because many major industries are represented among its 20,000 customers. From all these sources Live Stock National is able to get (and give) a complete and up-to-the-minute picture of economic and market developments in the central west. Are you interested in conditions here?

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and specimens the bird park has since spread over a tract of nearly ten acres with a collection of 5,000 birds from every corner of the earth representing some 400 different species. One might spend a lifetime in the world's most remote habitats of birds without seeing anything like the strange, interesting and colorful creatures in Avalon's aviary. It is open without charge to the public.

Semi-tropical in its setting, the general appearance of the bird park suggests Hong Kong's famous botanical gardens. The main bird cage is 90 feet in diameter. Beyond it are acres of cages containing hundreds of birds unknown to many ornithologists except from book descriptions. From gaudy African cranes taller than a man and the Papuan cassowary that looks like a cross between an ostrich and a bear, the birds range in size down to tiny feathered songsters that could easily nest in a thimble.

The bird park could probably not be duplicated for less than \$1,000,000 and the cost of maintaining it is obviously enormous. The Santa Catalina Company derives no income from it, except indirectly as one of the island's attractions.

A stage for motion pictures

OVER a period of many years, Santa Catalina Island has provided the locale for scores of motion picture productions viewed by audiences around the civilized world. It is one of Hollywood's most important outdoor stages. At least one motion picture company is working there almost every day.

In 1935, Metro-Goldwyn-Mayer chose it for every major outdoor scene in their filming of "Treasure Island." At The Isthmus, 25 miles from Avalon via the motor road, delightful accommodations are available in the "Motion Picture Village," which may soon be better known as Cabrillo, Cal. "The City" is composed of sets preserved from motion picture productions. Here one may dine or lodge at the "Inn of Sadie Thompson" (Rain), sip a cocktail over the bar of "Christian's Hut" (Mutiny on the Bounty) . . . or drop in at "Wong Lee's," "Der Kaiserlicher Rattshoff" or any one of several other equally picturesque places.

The island has acquired some strange and permanent assets as a by-product of motion picture production, strangest, perhaps, being a herd of bison now numbering 30 animals. In 1925, the Lasky organization was filming an old-time western thriller. For use in the picture they acquired several of the great beasts and shipped them to the island.

When their picture was completed they had the bison on their hands and

didn't know what to do with them if they went to the expense of returning them to the mainland.

Someone suggested that Wrigley might like to have them and Wrigley promptly accepted the offer. The "buffaloes" were turned loose.

Old-timers have been won over

AS MAY well be imagined, old-time Avalonians were apprehensive when William Wrigley, Jr., began the program of development that is still going steadily ahead. They were alarmed when new ships and harbor equipment appeared, when familiar old buildings were pulled down and the city was in the throes of growing pains with most of the streets torn up for sewers, water mains, gas pipes and other utilities. They were suspicious of the shipload importations of rock crushers, tractors, and steam shovels.

But the resentment slowly faded as the residents watched the town of Avalon transformed into a city that looks like Mexico, the French Riviera and a seaport of the South Pacific rolled into one.

Today numerous buildings that were once familiar landmarks of Avalon—old spider and fly-trap hotels, greasy-spoon restaurants and tawdry shops of retail trade—are gone! In their stead have risen bright new structures with mosaics of colored tile figuring prominently in the prevailing type of modern Spanish architecture. Gone, too, are all the garish signboards (there isn't even a chewing gum advertisement) and bedlam of leather-lunged barkers megaphoning solicitations for the glass-bottomed boats, fishing trips, excursions to the seal rookeries, restaurants, hotels . . . or what did anyone ever have to sell in Avalon?

Gone, too, is the forest of poles and the overhead wires that formerly disfigured Crescent Avenue.

Many local improvements

FROM a treeless street that was practically without a sprig of vegetation a few years ago, Crescent Avenue is now under an artistically-landscaped bower of 50-year-old olive trees, palms, and flowering shrubs.

Near the center of the waterfront, where steamship passengers were formerly herded through a glorified cowshed reminiscent of the Chicago stock yards, a beautiful embarcadero of Spanish design has appeared. Near the entrances and exits a stringed orchestra of Mexican troubadours in colorful costume strum melodious "Bien Venidos" to new arrivals and "Hasta la Vistas" to those departing. Avalon street sweepers have blossomed out in

tasseled sombreros, sky-blue jackets and bell-bottomed blue jeans with scarlet stripes up the legs. The Spanish and Mexican traditions of early California are everywhere in evidence.

This transformation has taken place largely within the past ten years, part of the program laid down by William Wrigley, Jr., and, since his death in 1932, continued by his son, Philip K. Wrigley. It is a program of private initiative that called for long-range vision and the investment of millions without a dime of government subsidy and without the slightest hope of early financial returns for the investors.

Because of this program, the 3,000 residents of the island are privileged to live in a unique community where a public-spirited fellow citizen irons out all sorts of troublesome municipal problems, voluntarily accepts the responsibility for getting needed things done, and puts up the money for most of the improvements so that the taxpayers won't be dropped down the chute into bankruptcy.

Pleasure is the leading industry

THE breadwinners among these lucky 3,000 are employed chiefly in the multitude of service trades incidental to a great pleasure resort, although several light industries, including toy manufacture and the making of pottery, have developed in recent years. At Middle Ranch, too, cattle and sheep are raised.

There is no commercial fishing. Pleasure fishing is one of the island's lures for visitors, and state game laws protect the tuna, albacore, swordfish, yellowtail and white sea bass and other ocean game fishes in the surrounding waters against every one but the sportsman.

Among the island's other attractions are hunting—descendents of those early Spanish goats make difficult trophies—aquatic sports, horseback riding.

Thousands arrive to bask in the sunshine, visit the bird park, enjoy the scenery or merely to rest in the pleasant atmosphere of old Spain and Mexico which makes Catalina today a Treasure Island.

It declares dividends of pleasure and health-building recreation to visitors who now often arrive at the rate of 10,000 a day.

The weekly pay roll of the Santa Catalina Company and its various subsidiaries is an important item in the economic life of California. But that is not all. We could ransom all the Kings of the Balkan States with the tax money the island contributes every year to the treasuries of Los Angeles County, California, and the federal Government.

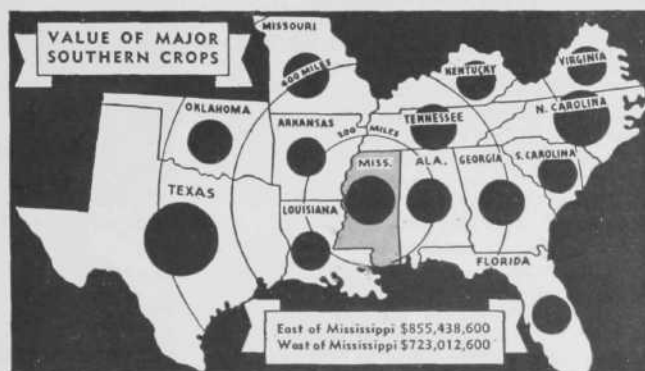


American industry is taking one billion tons of raw materials each year from natural reservoirs—from mines, wells and surface deposits—from reservoirs irreplaceable.

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You will be interested in "The Realm of King Chemurgy," the graphically illustrated story of a state where agriculture plus science spells industrial opportunity. Write for your copy now.



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From Steel Slab to Tin Can



Much of the product finds its way into tin cans



PHOTOS FROM BETHLEHEM STEEL CO. AND AMERICAN CAN CO.

A piece of steel after it has been rolled into a strip one-third of a mile long. Hanging over the conveyor is an electric eye that watches the temperature of the hot metal



Steel slab as it emerges from the furnace red hot, ready for passing through a train of rolls

FROM ORE to finished product, the story of steel is a record of many conversions in form through its intermediate stages. But efficiency in this chain of manufacturing operations is largely a matter of moving materials rapidly and conserving heat.

Until some ten years ago, flat-rolled steel had been made in what was known as a two-high rolling mill. Hot bars of metal weighing 50 pounds or so were drawn from a heating furnace with hand tongs and passed back and forth manually between a single stand of rolls until flattened into sheets. For at least 100 years that operation and equipment had not been changed basically. Then came the modern continuous strip mill, a fine example of which a NATION'S BUSINESS staff man observed on a recent visit to the Sparrows Point plant of the Bethlehem Steel Company.

Now a steel slab five inches thick and weighing two tons is the unit, instead of the old 50-pound bar. After being heated to the proper degree for rolling, the slab proceeds by means of roller conveyors through a series of powerful rolls, until it emerges as a thin sheet as much as a third of a mile long. As the strip grows thinner, it speeds faster, reaching a maximum of approximately 2,000 feet a minute before it is coiled into big rolls.

Every move now is mechanical. The day of hard manual work in a steel mill is past. And yet so rapidly has steel consumption grown under modern living that the industry with all its mechanization employed 20 per cent more men in 1937 than at the height of war activity in 1918-19.

Much of the flat-rolled steel produced at Sparrows Point becomes tin plate for cans—containers for vegetables, fruit and countless other items. Consumer goods are becoming a greater and greater outlet for steel.

—FRED DEARMOND



These coils of flat-rolled steel are tomorrow's bodies for automobiles or parts for a variety of household, farm and industrial equipment

"*THAT won't sell any newspapers!*"



Have you ever looked over the shoulder of an old-style, green-eye-shaded editor at work? Watch him when he is confronted with a story of economic developments in Middle Europe or bank credit constriction in the United States. He tosses it disdainfully aside, mumbling to himself, "**That won't sell any newspapers!**"

Fortunately for the hundreds of thousands who, like you, want to be fully informed of the world's significant news, the old-style editor in the green eye-shade isn't editing The New York Times.

Now, as always, The Times judges news on the basis of **importance**, knowing that importance means **interest**. Certainly news of economic developments in Middle Europe — along with similar topics once thought by some to be dull — is of first importance to Americans. Because that news may spell good times or bad times to Americans. Because that news may spell peace or war, not only for Middle Europe but for the world.

Never before did news have greater **importance** than it has today. Never before, there-

fore, by the time-tested formula of The Times, did it have greater **interest**. The Times formula is flexible enough to cover all phases of man's activity. It recognizes that not every item of news is of world-shaking content; it embraces the human, the novel and the odd as well as the momentous and the significant.

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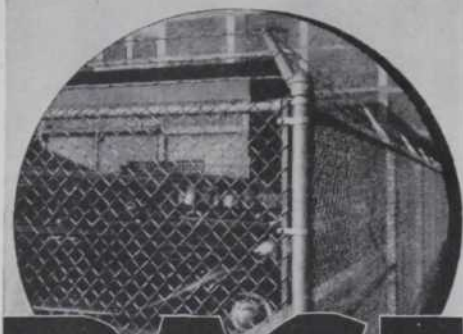
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A Perpetually New Frontier

(Continued from page 47)

prene, Koroseal, and Vistanex, are better for certain uses than is natural rubber; abroad, particularly in Germany and Russia, because of the determination to become nationally as independent as possible and because of a lack of foreign exchange with which to buy adequate supplies of crude rubber.

The American chemical industry, we believe, can be credited with having produced the first generally available commercial synthetic rubberlike material, and this production continues on the basis of sound economics and quality, not by decree, forced use, or national policy.

The chemical fibers, accepted everywhere in one form or another of rayon, can be considered in the same category. Count Chardonnnet set out to do as well or better than the silkworm. The progress has seemed slow, but the whole industry has developed since the gay '90's and today Japan, the home of silk, hopes to lead the world in the tonnage production of rayon staple fiber and plans an output

of more than 130,000 tons in 1938. There has been a continuing improvement in these chemical fibers, much to the credit of the chemical industry. But they still lack perfection and so present a new frontier.

This type of work is to be found throughout the industry. There is a constant effort to improve insulin, sulfanilimide, and other compounds that have already earned the gratitude of the race. Similar achievements in some other fields would have produced more of a stand-pat attitude and policy, rather than one of determination to carry on to still better products that might make the earlier ones obsolete.

In the inorganic field this effort to improve is obvious. Thus a pure sodium sulphide, heretofore available only in black, dark green, brown, and red compounds, has been so purified that it is now available as a clear water-white crystal. The new product is particularly valuable in the preparation of textile dyes and special leathers.

The industry works to the closest specifications while producing on a



Lastex bathing suit worn by Mary Howard is one of many products made possible by chemistry

M-G-N PHOTO

vast scale. Urea was the first compound to be synthesized more than a hundred years ago. It was then simply of academic interest because it showed that a material until that time associated only with living organisms could be made from inorganic materials. It is now used on an increasing scale as a constituent of fertilizers and has had its greatest new demand as a constituent of one of the synthetic resins or plastics. It is now made in one American plant with a capacity of 80 tons a day and with a tolerance of not more than two parts of iron per million parts of urea. On a percentage basis that becomes vanishingly small. There are other chemicals that are as carefully controlled as to impurities. In fact, the industry is accustomed to doing just that sort of thing.

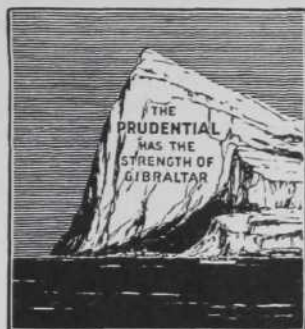
Many new materials

A FEW of the newer things are worthy of mention as indicating the aliveness of the industry. Substantial progress is being made in the field of insecticides and fungicides, an important group of chemicals with which to ensure our food supply, to prevent the loss of structures, and avoid damaging stain in sapwood, and withal to overcome accumulations in the soil or elsewhere of elements which above certain limits are disadvantageous and even toxic. Synthetic camphor produced now for some years in a technical grade, is also available in the U.S.P. variety, and all made from American turpentine by a process developed here.

This affords an excellent example of how applied research and far-sighted industry can break a natural national monopoly and protect us from economic pressure which otherwise might be brought to bear by another country. Until synthetic camphor was perfected Japan enjoyed a world monopoly of that commodity.

Improvements in chemical fibers have produced one known as Cordura, already well known for the part it played in the Ranger victory in the America's cup yacht races of last autumn. After severe tests it has demonstrated that, because it withstands the heat developed by long nonstop runs, it is superior to cotton fiber in the manufacture of heavy-duty truck and bus tires.

Latex and Lastex products continue to please us with their service, convenience, and new uses. Coatings to protect metal and wood are improved by the use of the synthetic resins, one of the newer ones bearing the designation XR-3180. Ethyl cellulose, now produced by two chemical companies, is adaptable to extrusion applications in which the flexibility and insulating qualities of the plastic are valuable



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WEEK AGO

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family have TODAY?

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NEW OPPORTUNITY IN ACCOUNTING

—and how you can take advantage of it

Never before, has there been as great an opportunity as now faces the accounting profession. Depression has taught executives the vital urgency of knowing all the facts about their business. Then our new governmental policy forces the keeping of better and more complete records in every office and plant. It is not a matter of choice—it is necessity. Authorities tell us the demand for competent accountants will probably soon exceed the supply. This spells real opportunity—for those already in accounting, and for capable men who will start training immediately. The man who is wise will investigate promptly—he will write for free booklet and full information.



LASALLE EXTENSION UNIVERSITY
A CORRESPONDENCE INSTITUTION
Dept. 9374-H CHICAGO

characteristics and can be applied to wire. It also makes a wrapping material, can be used to coat paper, cloth, and rubberized fabric, imparting flexibility at low and ordinary temperatures, toughness, fastness to light, and resistance to alkali. It may also make its bow as one of the chemical fibers.

Sodium chlorite is a new oxidizing agent. Intermediate in structure between sodium hypochlorate and sodium chlorate, it has many unique properties not possessed by any other known oxidizing agent. It finds its work today in pulp and textile bleaching, in bleaching and sterilizing food-stuffs, and as a desulphurizing agent.

A dicyclopentadiene resin has been developed primarily for inclusions in various types of lacquers and varnishes. Then there is the great group of wetting agents and materials which enter into what is called surface chemistry. A great impetus was given to this field of investigation when high-pressure syntheses made possible the production of the higher alcohols by synthetic methods. Lauryl alcohol is one such and compounds made from this alcohol proved efficacious in the economic use of soap in hard water.

Abroad, notably in Germany, this development has proceeded to the point where "soapless soaps" are used. Here the materials find application in hard water areas and are useful as well in laundry and textile industries.

Help in mixing pigments

FROM all this came dispersing agents which help to stir dry pigments like colloidal carbon into paint vehicles; which can be used in mixing colloidal carbon into concrete to provide non-glare surface; which find their way into dye mixtures to be employed in printing cloth, and which, in water solutions, improve wetting so that fibers receive well distributed coats which means level dyeing. So rapid has been the development in wetting agents, detergents, and surface chemistry, that reagents for the purpose are now to be found on every hand, and in the list of products of many manufacturers.

Wishing to improve translucence properties of pure vulcanized rubber, a magnesium carbonate used in compounding such rubber has been developed with a refractive index the same as that of rubber. Not only is the translucency improved but, where the rubber is to be colored, pigment is saved as a result. The research looking to improved compounds of phosphate for fertilizer has yielded calcium metaphosphate, carrying more than 60 to 70 per cent of available

P₂O₅. This high analysis has been attained by other methods but advantages are claimed for this new product.

The field of metallurgy, in which chemistry is applied to the study and working of metals, has brought so many new things as to necessitate a separate discussion if it is to receive adequate mention. One of the most interesting specialties has been the clad type, where some strong but less expensive base metal is coated or clad in a metallurgical process with an adequate layer of corrosion-resisting material which may be in one of a long list of new alloys devised for the purpose. These new resistant materials are to be found throughout modern industry.

Aids for human ailments

ONE instance of research in the important borderland between chemistry and medicine is that which began with the discovery that maggots play an important part in the healing of wounds. The next step was to ascertain what the maggots did. As a result a series of preparations of alantoin was made available to do much of what the maggots did. Urea, previously mentioned, is another reagent that has been found to have exceptional healing qualities.

Convinced by experience that the one best investment is research, the chemical industry declines to abandon its programs and projects in the search for new and better things even when recessions, depressions, or compressions appear.

With each recurring period of economic stress the far-sighted companies show an increasing determination to continue their research and investigational programs. In fact, there is much to indicate that depressions really increase the urge to create or perfect things that have been waiting for just such opportunities.

We have mentioned synthetic camphor. That was on the list of unfinished business when the depression of 1929 set in. Freed from the pressure which insistent production causes, the research laboratories had an opportunity to look over the whole subject again. The difficulties were eliminated, a new process was developed and a new plant built.

A canvass of the industry for the new things of research parentage which is made from time to time by the American Chemical Society also indicates that, in depressions, new things appear in greater numbers. There is much to indicate that no industry is more depression proof than chemistry.

On this perpetually new frontier what will happen next? No one can

prophesy that, but it is interesting to ask who will make a chemical fiber not only as good as but actually better than the natural silk. This is not far off. Who will produce the perfect insecticide?—One that will safeguard the plant against injury from insects, stay on long enough to be effective, and either be nontoxic to the warm-blooded animals, or be easily removed when its service is complete?

Who will produce a corrosion-resistant alloy, as workable and as cheap as ordinary cast iron or mild steel? From what plant will come a metal finish or coating that will protect for the useful life of the metal and, in the case of the automobile, dry bright and shiny without the chamois skin and elbow grease? Why not a comfortable paperlike suit of underwear, cheap enough to discard after service? We are already told how many paper towels we can buy for the cost of laundering a linen one. And so one might go on and on, for there is much to do.

Research will continue as long as men have curiosity to know the why, the how, and the wherefore, as long as products are imperfect, as long as human needs multiply. The chemical industry is primarily a service industry. Its products directly or indirectly touch all industry and all consumers. It is this broad base, together with the scientific guidance in which it places its faith, that makes it a part with the science of a perpetually new frontier.

A Conference on Transportation

A TRANSPORTATION Conference called by the Chamber of Commerce of the United States will be held in Washington, September 14 and 15. This conference is the outgrowth of requests received by the Chamber from many directions for considering the nature of possible legislation affecting transportation during the coming session of Congress.

The Chamber's Transportation Committee, which has recommended calling the conference, welcomes the assurances given by congressional leaders that preliminary work on a transportation legislative program will be actively taken up by congressional committees, probably in November.

As in the case of previous conferences called by the Chamber, this conference will be an autonomous body, speaking in its own name and on the responsibility of those participating.

What! No brass bands?

We're delighted, of course, that the 1938 World's Champion Typist won his title on an L C Smith! But (as Li Hung Chang said about the horse race) it was already known that some people can type faster than others.



Using the same L C Smith typewriter (without speed adjustments) which he uses every day in his H.O.L.C. job in Chicago, Mr. Norman Saksvig won the Professional Event, June 21-22 (and the 1938 World's Speed Championship) with a total of 41,453 strokes . . .

over 11½ strokes per second for one solid hour!

We congratulate Mr. Saksvig . . . but we continue to maintain that such exceptional typing ability can make speed records on *any* good typewriter (note that in the past five years world championships have now been won on *three* different makes). We're especially glad this title was won on our regular stock machine. Because speed saves money for you, Mr. Businessman, when . . . and *only* when . . . it's used in *your* office, on *your* work—and when you can count on it year in and year out. And the L C Smith, with its easy ball bearing action and floating shift, has won contests of *that* sort for many years, and against all comers!

THE NEW *Super-Speed*
LC SMITH

L C SMITH & CORONA TYPEWRITERS INC.
Desk 9 105 Almond Street Syracuse, N. Y.





More Goods for More People at Less Cost

HAD the 7½ million people who bought new radio sets in 1937 been obliged to pay 1929 prices for them, the total cost to the public would have been \$700,000,000 greater than it actually was. In fact, the 7½ million sets of 1937 cost the public \$188,000,000 less than the 4½ million sets of 1929. And because radios cost less, more people could buy them, and the purchasers had more money to buy additional comforts and conveniences.

This is but one of many cases where industry has found ways to make better products at less cost. For instance, the 1½ million electric washers bought in 1937 cost the purchasers 2 million dollars less than the million bought in 1929. The 1,200,000 electric fans bought in 1937 cost the purchasers \$700,000 less than about half that number bought in 1929. And in this same period hundreds of other manufactured products, because of improved manufacturing methods, have been reduced in cost so that more people can have more of the good things of life.

This process of creating *real wealth* has brought to America the highest standard of living ever known, and it is this process which must continue if even higher standards are to be attained. General Electric scientists, engineers, and workmen are contributing to this progress. By developing new and better ways to use electricity for the benefit of the public, they are constantly providing More Goods for More People at Less Cost.

G-E research and engineering have saved the public from ten to one hundred dollars for every dollar they have earned for General Electric

GENERAL ELECTRIC

1938 — OUR SIXTIETH YEAR OF MAKING ELECTRICITY MORE USEFUL TO YOU — 1938

Index of ADVERTISERS

September • 1938

	PAGE
Addressograph-Multigraph Corp.	9-44-45
American Brass Company	2nd Cov.
American Credit Indemnity Co. of N. Y.	77
American Mutual Alliance	49
American Telephone & Telegraph Co.	10
Association of American Railroads	73
Bank of New York	55
Budd, Edw. G., Manufacturing Co.	1
Burroughs Adding Machine Company	33
Canadian Pacific	70
Cast Iron Pipe Research Assn.	75
Chicago Tribune	90
Coca-Cola Company	3rd Cov.
Curtis Publishing Company	68-69
Cutler-Hammer, Incorporated	41
Detex Watchclock Corporation	64
Dick, A. B., Company	14
Dictaphone Sales Corporation	65
Erie Railroad System	71
Felt & Tarrant Manufacturing Co.	37
Furness Prince Line	74
General Electric Company	88
Goodrich, B. F., Company	39
Goodyear Tire & Rubber Company	12
Hammermill Paper Company	3
Hartford Steam Boiler Insp. & Ins. Co.	8
Household Finance Corporation	60
International Business Machines Corporation	52-53
International Harvester Company	4
Kimberly-Clark Corporation	57-58
Lamson Company, The	79
LaSalle Extension University	76-86
Lennox Hotel	86
Live Stock National Bank, The	80
Lumbermens Mutual Casualty Company	61
Marchant Calculating Machine Co.	11
Metropolitan Life Insurance Company	35
Mississippi Industrial Commission	81
Monroe Calculating Machine Company	6
New York Times	83
Norfolk & Western Railway Company	7
Page Fence Association	84
Postage Meter Company, The	67
Prudential Insurance Company	85
Republic Rubber Company	85
Reynolds, R. J., Tobacco Company	4th Cov.
Smith, L. C., & Corona Typewriters	87
Talcott, James, Inc.	76
Texas Company, The	2
United Brewers Industrial Foundation	89

Beer proposes a program... and invites your support

THERE ARE some people who still believe that the use of beer is sinful or harmful. The scientific evidence is overwhelmingly against them.

The great majority of Americans accept the truth... that beer is a mild, wholesome beverage... that "there is nothing more promising to combat the evil of too much alcohol than the opportunity of drinking good beer."

We brewers find ground for concern, however, in the conditions under which beer is sometimes retailed—conditions undesirable to us all. What we seek to accomplish, first and foremost, is a measurable improvement of such conditions. For example, retailers' beer licenses are sometimes used as a screen to sell illegal liquor or to operate illicit resorts. Other examples are the sale of beer to minors... or after legal hours... or to persons who have drunk to excess. And while retailing is not our responsibility, we want these conditions corrected. We believe we will serve both the public interest and our own if we succeed.

The Foundation... and its Code

In that belief, a short time ago the Brewers Foundation was organized... to align the brewing industry with forces working for the public good.

Important progress has been made. Brewer-members of the Foundation already represent nearly half the production of beer and ale in the United States. These members are pledged, individually and collectively, to the Brewers Code of Practice, one significant clause of which is here reproduced:

"We pledge our support to the duly constituted authorities for the elimination of anti-social conditions wherever they may surround the sale of beer to the consumer."

Being practical men, we promise no miracles. We cannot immediately or effectively "police" the quarter-million points where beer is sold (nor have we legal authority in many cases to do so). Nor can we, immediately, bring about full compliance with the law among all retailers, nor complete enforcement by all authorities.

A beginning has been made. In accordance with our program, we have cooperated with law enforcement authorities. We intend to carry on.

How you can help

How far we can go, and how soon, depends on ourselves, and on *you*. You can help in three ways:

Take the lead in arousing public opinion—which *can* see to it that existing laws are enforced.

Restrict your patronage to legal, respectable retail outlets. This can and *will* raise retailing standards.

Buy only beer or ale brewed by Foundation members.* Show us, and retailers too, that you *are* behind us in our efforts to serve the public interest and live up to our Code.

For centuries beer has been the beverage of moderation. In preserving it we must depend upon you leaders of opinion to take action. We urgently invite your full and sympathetic cooperation.

UNITED BREWERS INDUSTRIAL FOUNDATION
21 East 40th Street, New York, N. Y.

Correspondence is invited from groups and individuals everywhere, interested in maintaining the brewing industry as a bulwark of moderation.



**Identified in the advertising of members by this symbol (use of this symbol is restricted to members of the United Brewers Industrial Foundation).*

How You Can Get Volume Sales Quickly

Day in and day out, people turn eagerly to the newspaper. It is the primary source of their information regarding the events of the day, of news and comment on people and affairs which interest them and affect their welfare. It is the medium they consult every day of the year for guidance in shopping for the things they buy. As a result, it is the medium through which the advertiser can address his largest audience and implant the buying ideas which produce immediate volume response.

THE history of the world war is available in hundreds of volumes. The stories of the Galveston flood, the San Francisco earthquake, the Titanic disaster, the Lindbergh flight are told in numerous books. But what the average man and woman know about these happenings they learned from the newspaper.

People don't wait for the history books to learn the story of their times. They want the news about what happens *as it happens*, complete with pictures. They want it while it is fresh—not history.

So powerful and urgent is this hunger for news that people in all walks of life make time for a daily session with the newspaper. It alone of all media provides a permanent daily record for consultation at the individual's own convenience. It alone is available at any hour of the day or night as a record of what happens and as a guide to fashion, cookery, investments, affairs of the heart and home . . . and for help in shopping.

It is this dependence by the public on the newspaper—this continuing and highly personal relationship—which gives it such power as an advertising medium. As they peruse the news, readers turn consciously to the

advertising columns. They are accustomed to base most of their buying on what they see in the newspaper.

IN CHICAGO, the newspaper which every day of the week has a following of a majority of all the families in metropolitan Chicago is the Tribune.

Seven days a week, people in every neighborhood and suburb of Chicago are attracted to the Tribune by its coverage of the news, by its comics and its helpful service and feature departments. As a result of delivering a more interesting newspaper to readers, the Tribune delivers to the advertiser Chicago's largest constant audience.

Every day of the week, the Tribune reaches this market's largest known group of spenders—more than 690,000 metropolitan Chicago families.

Because Tribune advertising pays out so much better, Chicago department stores and specialty shops place more advertising in the Tribune than in any other medium.

The newspaper from which people

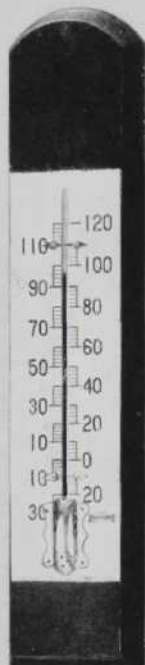
Chicago Tribune
THE WORLD'S GREATEST NEWSPAPER

are accustomed to buy is the economical medium for the manufacturer. The Tribune provides an audience already assembled, ready for direct solicitation and receptive to buying suggestions. Every dollar he spends for advertising in the Tribune can be devoted to winning acceptance for the product and the company behind it.

Through the Tribune the manufacturer can build sales-making impressions by picturing his product in black-and-white and in color. He can demonstrate its uses and dramatically emphasize the satisfaction which comes from using it. He can point up the individual features known to be the deciding factors in clinching sales.

In the Tribune he can start and stop his advertising in order to take advantage of seasonal demand and buying power. He can give his dealers direct selling help as they need it and when they need it.

NO MATTER what you are selling, you can sell more in Chicago by building your advertising program around the Chicago Tribune. Rates per 100,000 circulation are among the lowest in America.



Forget the heat... pause and refresh

When days are hot — Coca-Cola is *cold, ice-cold*. When weather is depressing — Coca-Cola is *refreshing, so refreshing*. So pause at a soda fountain and make your own weather prediction: Fair and much cooler.



5¢

LICKING A 720^{LB} "BLUE TORPEDO"

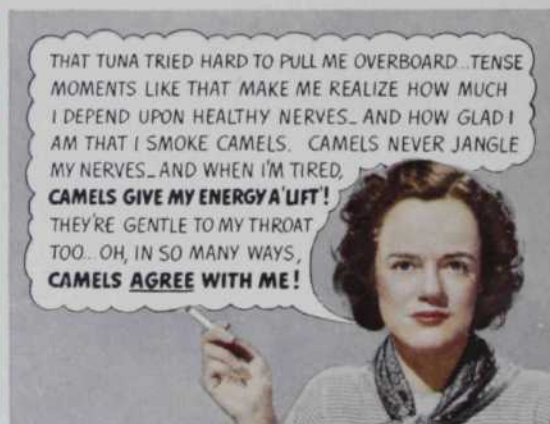
618 pounds heavier than the girl who caught it...
MRS. S. KIP (Chisie) FARRINGTON... wife of the famous
fishing authority and author of "Atlantic Game Fishing"



LEAVING THE DOCK—Young Chisie Farrington has her rod and reel all ready... Camels handy. "It's time we were out on the bay, throwing herring!" she says to the guide... This tiny slip of a girl is out to catch big game—the mighty bluefin tuna that streak the waters off the coast of Nova Scotia!

A STRIKE—A giant tuna hooked! The fight is on! With a torpedo-like rush, the bluefin starts boring down—putting a tense strain on Chisie. Here's where she shows that healthy nerves can "take it." Yes, and in her own words she's glad she smokes a cigarette that *doesn't* jangle her nerves—Camels!

JUMPS clear out of water! The first time, the guide says, he's ever seen a hooked tuna do that. Keeping a light drag, Chisie lets him run. Fighting-mad, that bluefin gives them a "Nova Scotia sleigh-ride" they'll never forget! Soon Chisie shouts: "He looks all in. I'm going to put it to him."



BROUGHT TO GAFF—in the fast time of 1 hour and 38 minutes! Chisie Farrington's biggest catch! The moment her hands are free, she smokes a Camel. "When I'm tired," she says, "smoking Camels seems to freshen up my energy. I like them!"



PHOTOGRAPHED after catch was weighed in. 720 pounds... 9 feet, 10 inches long! And she is a mere 102 pounds!

LIKE MILLIONS of other smokers, Mrs. Farrington notices a difference between Camels and other cigarettes. Not in just one way—but in many ways! Turn to Camels yourself. You'll discover that the costlier tobaccos in Camels *do* make a difference. Camel spends millions more to assure a finer, more delicate quality.

Camels are a matchless blend of finer,
MORE EXPENSIVE TOBACCOS
—Turkish and Domestic

PEOPLE DO APPRECIATE THE **COSTLIER TOBACCOS** IN CAMELS
THEY ARE THE **LARGEST-SELLING** CIGARETTE IN AMERICA

ONE SMOKER TELLS ANOTHER: **"CAMELS AGREE WITH ME!"**

Those who grow tobacco
—*know* tobacco
That's why tobacco growers
smoke Camels



Marvin Speight, well-known tobacco planter, knows quality tobaccos like his A-B-C's. He says: "I know Camel gets the finer grades. They bought the best of my crops last year. We growers 'most always smoke Camels."



Experienced planters like William Vandiford know tobacco from both sides of the fence. "We grow it and we see it auctioned," he explains. "I saw my best grades sold to Camel last auction-time. I smoke Camels too."

Juana, Mexico, to Vancouver in British Columbia, we had to race for our lives with a forest fire outside of Bellingham, Wash. We had too much gasoline aboard to risk running through the fire, so I drove over a high embankment into a lake. The old "Bulldog" sank out of sight as we swam ashore. We used the block and tackle to drag out the old bus, repaired it, then hacked and hauled and coaxed it over the goat trails of Idaho and across Montana and the Dakotas and Minnesota.

We were pioneering the course of the present Theodore Roosevelt International Highway through the woods of northern Wisconsin when Dick Shadel contracted pneumonia due to exposure. We had been sleeping in haystacks when we could find them and staying awake all night in front of a fire when we couldn't—in a state that is now dotted with comfortable motor tourist camps. The experience proved too much for Shadel. I drove him down to a hospital in Milwaukee, where he died.

After that I drove on to Detroit and picked up George Brown for a companion. The Detroit papers spread an account of our adventures all over the front pages. I stalked through the offices of the Abbott-Detroit Motor Company, a sun-tanned, wind-blown, glamorous figure to the pallid pen pushers who thought a fishing trip to the Au Sable River was high adventure, and I decided that dying for dear old alma motor wasn't to be sneezed at.

Trouble with icy rivers

GEORGE BROWN and I then headed back into the West where motor touring at that time was listed among the perilous pursuits next to shoeing a bucking bronco. Just west of Granger, Wyo., where the transcontinental motor tourist now hums over a smoothly paved highway marked U.S. 30S from Granger to Echo City, Utah, we had to drive over the ice of a frozen river. The ice broke and the heavy "Bulldog" sank to the bottom in water deep enough to cover the floor boards, filling the carburetor and short-circuiting the magneto. The nearest point where we could get help and horses was 40 miles away and the country between was buried in two feet of snow.

By standing on the spring-horns as the car stood in the river, Brown found that he could crank the motor. He then set about building a protection for the carburetor with tin, canvas and rubber hose, while I began cutting a path through the ice to the opposite shore.

By the time Brown had the engine, magneto and carburetor cleaned and

Where Time is Money— DICTAPHONE Saves BOTH

*says
Boake
Carter*



"MOST business men have to think of time in terms of dollars and cents. Time saved on daily routine gives the chance for increased activity and more volume. Dictaphone saves time by smoothing out the day's tasks—enabling the executive to do what he ought to do *when* he ought to do it. Without fuss or bother, he gives his ideas, notes, memos and instructions to Dictaphone. Dictaphone puts wings on your work. I've used mine for years—and *I know!*"



"In editorial work it is necessary to make a quick record of plans and ideas... Dictaphone is mighty handy for that purpose..."

E. H. SHANKS, Vice President
The Dartnell Corporation
Chicago, Illinois



"I find it simpler to stay on top of routine... bigger share of my day for constructive thinking and planning..."

O. O. LEWIS, Manager
Fairbanks, Morse & Company
Atlanta, Ga.



"A big help... Dictaphone is the quickest, easiest, smoothest way I know to get thoughts transferred to paper."

E. K. EMERSON, Vice President
Fuller & Smith & Ross, Inc.
Cleveland, Ohio



"... After a telephone conversation with one of our managers I repeat the points agreed upon... the subject matter being taken down on the Dictaphone."

A. F. TULL, President
The Business Institute, Detroit, Michigan



"Dictaphone... taught me there's a 'human' way to correspond... I actually visualize the other fellow sitting right there where the Dictaphone sits."

RAY HOLCOMB, Treasurer
J. I. Holcomb Manufacturing Co., Indianapolis, Ind.

NOW MAIL THIS

There is only one true Dictaphone. It is made exclusively by Dictaphone Corporation at Bridgeport, Conn.; sold through our own offices in the United States and Canada. We invite your inquiry.

The word DICTAPHONE is the Registered Trade-Mark of Dictaphone Corporation, Makers of Dictating Machines and Accessories to which said Trade-Mark is Applied.

Dictaphone Sales Corp., 420 Lexington Ave., N. Y. C. NB-9
In Canada—Dictaphone Sales Corp., Ltd.,
86 Richmond Street, West, Toronto

☐ I should like to talk with someone about the loan of a Dictaphone in the New Progress Cabinet at no expense to me.

☐ Send further information about Dictaphone.

Name _____

Company _____

Address _____